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A BRIEF VIEW  
OF THE  
POLICY AND RESOURCES  
OF THE  
UNITED STATES;  
COMPRISING  
SOME STRICTURES ON A LETTER  
ON THE  
GENIUS AND DISPOSITIONS OF THE FRENCH  
GOVERNMENT.

*By John Jay*

Omnis homines, qui de rebus dubiis consultant, ab odio, amicitia, ira, atque misericordiâ vacuos esse decet. Haud facile animus verum providet, ubi illa officiunt; neque quisquam omnium lubidini simul, et usui paruit. CÆSAR.

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### ERRATA.

Page 26, note, line 3, for destinction, read distinction.

32, line 20, for pretense, read pretence.

37, 11, *dele* their.

44, 24, adandonment, read abandonment.

46, 21, for in which, read with which.

66, note, for D'Esprit, read De L'Esprit.

85, line 25, *dele* the.

88, 24, the laborious, read the most laborious.



## PREFACE.

**THE** present humiliated condition of the United States must be acknowledged and deplored by every American, to whatever party he may belong.

Our ships plundered or burned—by the cruel mandates of the insatiate Napoleon;—our commerce subjected to constraint or vexation—by the unnecessary and impolitick restrictions of England:—our honour tarnished by the most tame endurance of aggravated insult;—and our prosperity arrested by the most abject submission to accumulated injury.

Yet at a crisis so important, have we beheld the national legislature wasting its energies in idle controversy, abuse, or recrimination; and after a session unusually protracted, passing to a state of adjournment, without devising a single project—much less enacting any measures—either for present or future relief:—

However in theory the opposition may justify their policy—practically they must admit their efforts to be unavailing—and the more ardently a desire to vindicate the honour and interests of the country is professed by the ruling party, the more difficult is it to defend the competency of their system, when their professions, and performances are compared.

At a period such as I have described, when the unpopularity of the demeanour and doctrines of one sect, has deprived them of the power to bring their principles into practice; and when the policy of another is found in practice inefficient, every effort to point out a course of political conduct, devoid of the unpopularity attendant on the doctrines of the first, and free from the imbecility consequent to the parsimonious system of the last, if not in the execution meritorious, must at least in the design be deemed excusable. Anxious to accomplish this great object, I have ventured to offer to the publick this pamphlet.

An imperfect sketch of the views contained in it, was some time since published in a newspaper; but the objects to which they are

directed being too important, and too intricate for that disconnected mode of publication, or for the desultory notice usually allotted to it, after very many additions and amendments, I again bring them forward in a form more worthy, and more susceptible of attention.

Time alone can determine the value of opinions. Having written neither to flatter national vanity, nor to gratify party spirit, it is probable that in some, my work will excite indignation, and by others will be treated with coldness or neglect. In my own conviction, and reflections, however, I find at once my incitement, and my reward; conscious of no other incentives than ambition to serve my country, and a desire to *merit* approbation. That I am not instigated by any interested motives, will I trust be evident from the tenor of my sentiments:—for honours and emoluments—are vainly sought by those who do not enlist under the banners of party.

But wherefore should I employ my own sentiments, when I can avail myself of those of the celebrated Burke:—

“It is an undertaking of some degree of delicacy to examine into the cause of publick disorders. If a



man happens not to succeed in such an inquiry, he will be thought weak and visionary; if he touches the true grievance, there is a danger that he may come near to persons of weight and consequence, who will rather be exasperated at the discovery of their errors, than thankful for the occasion of correcting them. But in all exertions of duty something is to be hazarded. In cases of tumult and disorder, our law has invested every man, in some sort, with the authority of a magistrate. When the affairs of the nation are distracted, private people are by the spirit of that law, justified in stepping a little out of their ordinary sphere. They enjoy a privilege of somewhat more dignity and effect, than that of idle lamentation over the calamities of their country. They may look into them narrowly; they may reason upon them liberally; and if they should be so fortunate as to discover the true source of the mischief, and to suggest any probable method of removing it, though they may displease the rulers of the day, they are certainly of service to the cause of government."

I have nothing more to add, than what I trust will be sufficiently evident to those who peruse my book. I mean that I am an ardent admirer of the political system of the great Washington.



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A BRIEF VIEW  
OF THE  
POLICY AND RESOURCES  
OF THE  
UNITED STATES, &c.

IT is a natural, and of course a general opinion, that correct political conceptions are most frequently found among those, who are actively engaged in the field of politicks.—Among active politicians we shall undoubtedly find the most accurate knowledge of political detail, and the most correct views of legislative practice, in cases not calculated to excite—the emotions of anger—or the spirit of party. But such men are in general so much biassed by these impulses, that of the great fabrick of national policy, they rarely take those impartial views, which arise from the contemplation of the principles of human nature, as developed by the conduct of nations since the beginning of the world. The consideration of these principles, will in many cases enable us to form a more accurate estimate of the probable rela-



tions between different countries, as respects peace or war, than we can possibly acquire, by that hourly reckoning, or those partial and confined observations, which in the sea of political controversy, so often give to talents an erroneous course.

That such are the ill effects of political strife, is evident from the extremes of preference or dislike to different constitutional modifications, which are always displayed in republics—and also by the friendship or antipathy, indulged towards different nations, by opposite parties. We have only to revert to the pages of history, to be convinced of the equally absurd excesses of opponent politicians, and how often the truth has been found—not in the favourite system of either party, but in a course which would have been dictated by principles inseparable from the nature of man.

The more a nation prospers—the more the wisdom of her interior legislation, or the energy of her measures externally, excite our admiration and respect—the more is she to be feared. To the same love of power, or love of wealth to which she owes her greatness—will



other nations owe their fall. It was by such views, that the venerable Cato was led to exhibit in the Roman senate the rich fruit of Carthage, and exclaim *delenda est Carthago*.\* A conclusion founded in a policy more cruel than false, and universally exercised by nations when they have the requisite power—however in the abstract they may detest it—or when they are themselves the victims. For ambition and avarice are plants existing in every soil, and ever prepared, by a noxious and active luxuriancy—to overspread and blast the less vigorous foliage of humanity and justice.

Individually, men differ from each other more than individuals among inferiour animals; but in the aggregate, as respects the more powerful passions—they are not more dissimilar, nor less cruel—than the most savage of the brute creation. It is a universal observation of those, whose interests have been placed in opposition to companies, or large bodies of men, that these are very little actuated by generous passions. This trait becomes the more strong, as the number concerned increases. Hence, among

\* We must destroy Carthage.

nations, no other limits are assigned to cruelty or oppression, than those which result from the absence or termination of power. Republicks have always been more systematically oppressive to their conquered provinces, than monarchs; and were the question of clemency or plunder left to the populace or common soldiery—who would expect the milder alternative?

Yet among scenes of the greatest national cruelty—instances of individual benevolence, will often form a striking contrast, with the general gloom.

A little attention to the ruling principles of our nature, will soon explain this diversity of man—in his individual—and national character. It will be found, that those springs of the human heart, which excite us to act towards each other with justice, compassion, generosity or benevolence, are capable only of a limited operation. We sympathize most strongly with our nearest relations, or most intimate friends, less with our associates, or dependents; and in a diminishing gradation, with our townsmen—our countrymen—and

mankind at large. But as every influence which emanates from a centre however intense in its operation on the nearest objects, becomes insignificant as respects the most remote; so the sentiments of the soul however ardent in respect to kindred or friends, are deprived of their vigour when the objects are multitudinous, or far distant. The glorious sun, which beams so intensely on Mercury—sheds but a feeble light on the Georgian star—and, in the remoter regions of space—faintly twinkles, or becomes invisible.—When we behold the tortures of animals the most inferiour—we feel more—than when we hear of the slaughter of thousands of our species—remote from our personal observation.

Philanthropy is much more often assumed as an ornament, than excited by feeling. Religion and morality may lead us to deprecate the horrors which arise from national strife, but the recital of them, when we are not the immediate sufferers—rarely interferes with our slumbers—or interrupts the festivity of a meal.

The greatest national right—the right of conquest—is the greatest moral wrong.—



Yet is this the boasted foundation of national sovereignty throughout the globe. Few countries are inhabited by the descendants of their original—and of course of their rightful possessors. The country we possess—was obtained by force or artifice; and Europeans glory in their descent from those military leaders, whose occupation in its true colours—was murder and robbery. History does not furnish an instance of a nation, which has hesitated to seize an advantage—when encouraged by power—and invited by weakness—however destructive the consequences to the happiness of an injured nation—or inconsistent with the principles of justice or humanity. The fear of the retaliation of barbarity, has meliorated the conduct of modern Europe; and injury now ceases, with the attainment of the views which excite it. Hence wanton aggressions at present rarely occur; but in return, as national interest is much better understood, and as ambition and avarice are more systematick in their plans—if they are less often guilty of wanton oppression—they omit it more rarely, when it is pregnant with advantage.



Even the tameness of the policy of Jefferson, does not exempt America from the general opprobrium. Her embargo was intended to excite misery or famine—among innocent slaves or manufacturers, as the means of coercing their rulers into the abandonment of a system injurious to her interests—rulers, who, by the projectors of that measure—were deemed inaccessible to the pleadings of compassion.

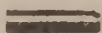
From the principles of national conduct which are thus undeniably prevalent, it appears obvious, that in determining the probable hostility—or good will, which may arise between different nations—or how far the power of one—is to be apprehended by another; all calculations founded on national virtue are to be deemed inadmissible. The question should be simply—how far will any opposition arise between the prevailing national passions, of avarice or ambition—how far are they directed to the same objects—and what may be the ability of either nation to destroy or impede, the fairness or freedom of that rivalry, which must ensue in a competition for the same means of wealth or power?

The author of a late Letter on the Genius and Dispositions of the French government, appears to have omitted to apply this investigation, to the situation of his country—in all its relations; and the picture he has drawn with such masterly address, is only suited to that partial prospect, which naturally attracted his attention when surrounded by those who could sympathize in no other. He has indeed skilfully, and no doubt justly portrayed, the nefarious principles—the cruel practices—and the tremendous power of France. But he has not recollected, that her principles, and her practice, have only been the natural consequences of her power; and not of any vice, peculiarly inherent in Frenchmen. Instances of a policy no less nefarious, are to be found in the annals of many nations, though the practical consequences have rarely been so hurtful to the happiness of mankind.\*

Consistently with the views which I have advanced it must necessarily follow, that such a power as that wielded by France, will occasion every imaginable evil to those who may fall within its sweep. The anxiety inspired by it, as regarding our own interests—can only be

\* See note—page 40.

mitigated in proportion, as we are removed from the sphere of its activity. Far be it from me to alleviate this anxiety—or to blame the author for his efforts to excite it. It is the partial tendency of his efforts that I inculcate. I blame him—that while intent upon exhibiting the baleful influence of the power of one country, he almost wholly disregards the actual consequences of the power of another—or seems to hail it as a benignant sunshine—calculated, under the guidance of wisdom and virtue—to cherish and enliven us in our progress to prosperity.



Among other opinions advanced by this author—the following is most prominent for singularity:—That Napoleon is not adverse to commerce as supporting England—but that he is adverse to England as supporting commerce. I shall endeavour to expose the fallacy of this opinion, not merely from the love of truth; but because I conceive it to involve in obscurity the great avenue of danger from the French government.



The ensuing quotations from the letter itself, will better enable the reader to understand my objections:—

“ These considerations,” says the author,  
 “ are urged principally with a view to elu-  
 “ cide a topick of the highest importance  
 “ to this country. *I mean the determined*  
 “ *hostility of Bonaparte to commerce under*  
 “ *any shape.* He is, both from policy and  
 “ temper, an enemy to the whole modern sys-  
 “ tem of publick economy, of which trade is  
 “ the leading feature.” p. 209 and 210.

“ The British are detested by Bonaparte, not  
 “ merely as political enemies, but as a commer-  
 “ cial people. Under the pretence of contend-  
 “ ing for the liberty of the seas—he aims his  
 “ blows at the spirit of commerce, and at the  
 “ admirable constitution which it strengthens  
 “ and defends. In waging war against the com-  
 “ merce of England, it is not merely her de-  
 “ struction that he meditates. He is almost as  
 “ forcibly impelled by his desire to extinguish  
 “ the whole trading economy of the world,  
 “ which, without England, the spring and soul  
 “ of the system, must soon disappear.” p. 213

“The French rulers are characteristically,  
 “and systematically enemies to commerce in  
 “any form.” p. 242.

Every individual is incessantly incited by pride—to exalt the occupation which he pursues—and to depress and vilify those which are pursued by others.

Hence arises a contention for preeminence, which is not susceptible of settlement, without some extraneous coercion. In the eye of the sage, no pursuit is more despicable than that of the soldier, when not consecrated to the defence of the rights of human nature. But though much more often engaged in the violation—than the support of these rights, he has unduly forced his profession into the primary rank, through the aid of that power, which is the concomitant of military success; and humbling all other professions into apparent submission, he is enabled to give full scope to his vanity or pride.—Such no doubt, is the foundation of that contempt, which the military have shown in every age, for all other occupations than that of arms. The influence of superstition—or

the wonders of science, may have gained for religion and philosophy some respect, but the ordinary paths of pecuniary emolument—have ever been despised.—We ought then to expect in Napoleon—that contempt for commerce, which has at all times pervaded his profession. We should however distinguish *contempt* from *hatred*; and I shall endeavour to show that the author whom I have cited, has erroneously imagined the existence of the latter sentiment, in the mind of this great conqueror as respects commerce—unless so far as it may be associated with the detested prosperity of that nation—by whom his power is defied—and controlled.

It is true that commerce and despotism can but ill subsist together;—but it is in the same way as the entertainment of the hedge-hog, was incompatible with the comfort of the snakes. The injury—the fear—and dislike, are not felt on the side of the despot—but on that of commerce. Despotism has often destroyed commerce, because attended by an arbitrary and versatile policy, altogether inconsistent with those industrious pursuits which require permanency of



duration, for the repayment of capital invested. But commerce never has—nor ever can subvert despotism; because, under circumstances so hostile to its prosperity—it can never make progress sufficient, to weigh against sovereign power.

As a source of wealth, it cannot excite apprehension, for it may be doubted whether more servility would not be found in the rich merchant—than in the poor farmer. This observation is justified by the late contest in Spain, where the wealthy families, fearing the loss of their enjoyments, have been less bold in their opposition than the peasantry; and it is not improbable, that the greatest difficulties of Napoleon, may eventually arise from popular rebellion.

Commerce was undoubtedly instrumental in the overthrow of the feudal system, but in this it rather aided—than opposed monarchical power. Seeking privileges and protection from the sovereign against the oppression of the nobles, the commercial towns in return, afforded him the means of preponderance over those turbulent vassals; but this was an operation, very

different from that which would justify the idea of its competency—to subvert despotick power.

The mercantile class are powerful, only as furnishing indirectly the sinews of power—but in any direct agency are actually helpless. The sway of Bonaparte, has been established in opposition to all the commercial influence of Europe in the height of its vigour.—If too imbecile to preserve its standing,—how can it have strength to regain it? If in prosperity impotent—how can it in adversity be formidable,—and more especially in that degree which would be requisite to excite—the fear—and hatred—of its stern destroyer—unless when associated with the power of Britain?

As a mean of wealth—it must be desirable to France, in common with all other means of attaining power and magnificence. Those who love plunder—must love wealth. If there be an alternative—few despots are so insane, as not to prefer milder means of attaining it, than those of devastation and robbery. The politick rulers of France, are not ignorant of the depopulation and imbecility consequent to these, however extensive the empire, over

which they may be exerted. They have before them the example of Turkey, which though extending over a portion of the globe once pre-eminent in wealth and population, is now in resources inferiour to the island of Great Britain.

So far then as the encouragement of commerce is not incompatible with the measures essential to the support of his military operations, or the means which he deems requisite to enfeeble his enemy, it is incorrect to suppose Napoleon averse from this branch of industry, or that he would not afford it encouragement. But in this would arise our danger, should the power of England cease. It is by alluring commerce only, that he could become dangerous to us; and our principal hope must be founded on the idea, that she will be unsuccessfully courted by him or his successors while arrayed in the obnoxious insignia of despotism. In this respect, the views of the author of the letter, seem the opposite of mine. He appears to suppose that the aversion of the emperor from commerce, renders him inimical to our commercial prosperity; while I am of opinion that



the more he drives her from his dominions, the more will she confine herself to other countries, where she may meet a more gracious reception. She does not require multifarious emporiums—when driven from one—she soon creates another. We should be jealous of her admirers—not of her enemies. By the display of a more commodious path, Portugal seduced her from Venice.—Alarmed by the despotism of Philip II. and enticed by the assiduity of the Hollanders, she first sought refuge among those gallant republicans—and then extended her favours to England. Finally, scared by the “glare of the baleful sceptre,”—by the universality of continental warfare; and partially captivated by the insular situation of Great Britain, and her maritime power: or allured by the remoteness of America, and the advantage of neutrality; she has divided her munificence—between this country—and that. But we have defended her with so little gallantry, that she now hesitates between our remoteness from the scene of war—and the superiour disposition and capacity of the British, to guard her from hostility.



The author is certainly incorrect in founding his fears of France, on her enmity to commerce. If by genius and disposition hostile to this great and essential source of maritime power; how can she command that element—by which alone we are accessible to injury,—or open to rivalry? The author and myself coincide in some degree, as to the incongruity of the French government, with the growth of commerce: we differ as to the disposition of that government to cherish it. This disposition will I believe, be very great; and notwithstanding all difficulties, it is probable that in the event of the destruction of the British power, the navy of France,—might become sufficient for the annihilation of our commerce,—and interruption of our domestic repose.

To conclude, though I represent our causes for apprehension—differently from this author, and, as I imaginé—more correctly—nothing is more remote from my intention than to diminish the sense of danger. My desire is, to hold up to my countrymen, that impartial view of our foreign relations; which can alone incite

them to pursue the course, which I conceive to be indispensable to their honour, and prosperity.

---

Let us proceed farther to examine the opinions of this eloquent writer:

“Whatever” he observes, “may be the fate  
 “of the continent, the British cannot fall. The  
 “character of the population of England, the  
 “abundance of her pecuniary resources—and  
 “eminently her navy—the great buttress of her  
 “strength—preclude almost the possibility of  
 “her overthrow.”—*Lettre on the Genius and  
 Disposition of the French Government.* p. 243,  
 244.\*

So long as the British navy is predominant, no one can imagine, that the power of the

\* This opinion is in a degree similar in its tenour, and is the same in tendency, as that expressed to Philip II. by Idiaquez, one of his principal officers of state:—“The situation of England,” said that prudent statesman, “which is surrounded on every side with  
 “a tempestuous ocean, and has few harbours upon  
 “its coasts;—the numerous forces which defend it—  
 “the genius of the people, and the nature of their

French emperor can become dangerous to the liberties of this country. The author, demonstrates the permanency of the British power;—how is this reconcileable with his fears of subjugation to France—and more especially as he represents the internal resources of this country as strained to a point inconsistent with their continuance, while its supplies—from external devastation and robbery, constitute a resource necessarily destructive of itself?

This leads to a consideration which places in the strongest light, that bias or inconsistency of opinion which results from partiality or aversion in respect to foreign nations. While our security from the oppression of either of the great belligerents, is in any considerable degree dependent on a due balance of their power; it is manifest that a diminution of

“government, concur in making me believe, that it  
 “will be found almost impossible to succeed in an  
 “attempt to conquer it.—The English navy is alone  
 “equal to that of any other nation; and when joined  
 “with the ships belonging to the revolted provinces,  
 “must prove an overmatch for any fleet that can be  
 “sent from Spain.” [*Watson's Philip II.*]—It is  
 hardly necessary to remark, how fully these observations were justified, by the fate of the Armada.



the weight in one scale, must have the same effect as an increase of weight in the other, —since in either case, a preponderancy must ensue, injurious to our interest. It would be natural therefore, that those who would excite our fears—of the power of one country, should ground their arguments—on the comparative weakness of the other;---but this is the contrary of the course ordinarily pursued. Those who are most apprehensive of Britain—generally represent her as sinking under an accumulating load of debt and taxation; while those who would alarm us against France, are the most ready to depreciate—the solidity or permanency of her resources.

A magnanimous American would scorn to be dependent for the liberties of his country, on the duration of this balance of foreign power; but reviewing our present means of resistance, compared with the force which we should be necessitated to oppose, there is no room for this noble independency of sentiment, and he is forced, by the prospect of irresistible evil, to tolerate a predicament so monstrous, as that of being indebted for safety,



to those—who are our permanent rivals in commerce,—and consequently our enemies upon the principles of national conduct already laid down.

Could Great Britain and America, be divested of those partial views of right, or interest, which are almost inseparable from human nature;—their mutual welfare—and even grandeur, would be far from incompatible. The ocean and the land are not so confined in extent, as not to afford ample room for the greatest luxuriance in the prosperity of both countries. But by past experience we are taught, that it is in vain to hope that two nations travelling on the same route to wealth, will ever proceed harmoniously; or find any other mean of determining their respective claims, than that of power.

In respect to Great Britain however it must be admitted, that although from justice or humanity she rarely abandons the course dictated by interest; yet in pursuing it, owing to the excellent form of her government and spirit of her laws, she has generally displayed more liberality than other nations. In the abstract, her policy may often be found

too narrow, as it was in her treatment of this country while under her sway; but her conduct even in this respect was liberal, when compared with the colonial policy of France, Spain, Portugal, or Holland.

Had her system at an early period, been as contracted as that pursued by these nations, we should never have had—the spirit—the liberty,—the wealth—or the power—to which we owe our glorious independence. It was only through this superiour liberality or wisdom in construing her interest, that she ever permitted the extension of our commerce: for had she yielded to that jealousy and cupidity which it was so much calculated to excite—she would, at an early period, have depressed—or destroyed it.

But yet much apprehension must arise in the bosom of an American, when he compares the vast and durable maritime force of Great Britain, with our capacity to afford it that counterpoise, which can alone relieve us from this degrading dependency, on the liberal exercise of her uncontrolled power. Had the author to whom I have referred, comprised in his picture

this insurmountable impediment to our commercial progress, which lies so directly in our path—as well as that more malignant—but more distant evil which can only operate when the immediate obstacle shall cease; the great outline of his painting being rendered complete —amid the brilliancy of colouring displayed throughout, it would have been impossible not to have overlooked every minor error or inconsistency. He should have allowed a portion of his canvas to be occupied with the display —of that tremendous maritime power—which though created by necessity—and by the noblest incitements—yet being created—has placed his country in a state of commercial vassalage, productive of evils—great—immediate—and permanent.\*

\* While differing in my views of national policy from this pleasing writer, I cannot avoid an opportunity of expressing my personal regard for him; and how highly I prize his talents, acquirements, and social virtues.

When we consider that in jurisprudence, in science, in arts, and arms, collectively, Great Britain has never been equalled by any nation in the present, or in past ages; and that, by the course of events, it has become her interest to defend the rights of those



But while disposed to view the power of Britain, with sentiments so different from this author;—no one can more bitterly deplore, that ignorance and folly, which has brought us into premature collision with this commercial colossus. No one can more regret, that instead of that silent and energetick course, which is indispensable to the creation of power in the presence of a jealous and overpowerful rival, we should have abandoned great and essential

nations, which France is, by ambition and avarice, prompted to invade: it is not surprising that a juvenile mind, recently warmed by hospitality and distinction, should be inspired by an enthusiastick admiration of a nation, whose conduct under this partial view, may appear as preeminent in virtue, as in greatness: or that, by a mind so situated, inferences in respect to the general or permanent conduct of the two great nations, should be drawn from their partial and temporary conduct, as it was most forcibly presented to his more immediate remark, and predominant sensations. I have been the less reluctant in combating his political views, because I am conscious, that whatever may be the fate of these, it will be impossible ever to depreciate the ability and information, which he has displayed in preparing them for the publick eye. The genius of his country is honoured by his style—which is formed by that irresistible union of eloquence and energy—which fascinates by its beauty—or overpowers by its force.



advantages—that we might resent insults, we could not punish—or contend for theoretick rights—we had not the means to establish. How different was the conduct of that tutelary genius, whose wisdom and virtue are rendered if possible more conspicuous, by the terrible evils which have ensued from the policy of those, who dared to impeach the purity, or correctness, of his motives or measures? Never was a comparison more fairly made in practice between opposite political systems, than we have seen in the trial of the policy of Washington, and that of Jefferson and his successor. The great founder of American independence, saw the impossibility of a successful struggle for those commercial privileges—which America might in theory claim—but in practice could not establish—till time should afford her maritime strength. He saw the necessity of our rising under the wings of that very power—whose jealousy by our rivalship—we were destined sooner or later to excite. He saw that as yet in our political infancy—to contend for all our commercial rights—would cause the loss of every commercial advantage; and that early demon-

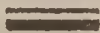
strations of hostility, by alarming the fears of Great Britain, might give rise to a premature contest, and terminate not only the advantages we enjoyed from neutrality but our rights as a commercial nation. In our imbecile state, he saw war could neither punish insult—nor retaliate injury: but would lead to a deprivation of that access to the ocean—which is essential to our wealth or glory. He was convinced of the folly of that boasted warfare of commercial restrictions which was proposed during his presidency by Madison, and which when since tried in practice—has proved more injurious to ourselves, than to our enemies. He knew that as commercial intercourse could never have arisen without mutual advantage—it could not be interrupted without reciprocal injury.

Every friend of America, who contemplates her permanent interest with a dispassionate eye, must lament, that in opposition to the precepts and practice of this illustrious chief, we should have embarked in that premature contention, which he so studiously avoided: but it is to be recollected, that the folly and passion in which it has arisen, are the insepa-

rable concomitants of popular government, founded on the suffrages of the multitude who though honest, are ignorant—whose impressions are excited by feeling, not created by thought: and least of all by that peculiar depth of reasoning, or elevation of view, which is indispensable to the attainment of political truth. In such governments, we often behold the passions which give rise to the keenest resentment, but rarely find the wisdom or moderation which is requisite for the discovery, or pursuit, of the only means which can lead to redress. But while the genuine patriot deplures these evils resulting from an excess of that democracy, which under due modification is the best foundation of government; it is not the less his duty to pursue the only course, which tends towards melioration, or cure. And since Great Britain has by popular violence, been urged into a state of hostility; and as there is little probability that this disposition in her, or the antipathy of the American populace by which it has been excited, will permit us to hope for lasting amity, we have little reason to congratulate ourselves in the contemplation of that



greatness, which is thus brought into opposition with our interests—however uselessly or prematurely.



But to return to the author:—

“ The idea of unlimited sway is studiously  
 “ kept before the publick mind—and the future  
 “ empire of France over the nations of the earth  
 “ exultingly proclaimed, in all the songs of the  
 “ theatres and in publick discourses of every  
 “ description. Even the gaunt and ragged  
 “ beings, who prowl about the streets and infest  
 “ the night cellars of Paris—the famished out-  
 “ casts—many of whom are men of decent  
 “ exterior and advanced age, beggared by the  
 “ revolution—who haunt the Boulevards, and  
 “ publick gardens, in order to enjoy, under the  
 “ rays of the sun, that enlivening warmth  
 “ which their poverty denies them at home—  
 “ and who by their wan and melancholy aspect  
 “ excite the horror and compassion of a  
 “ stranger—all appear to forget for a moment,  
 “ their own miseries, in anticipating the brilliant  
 “ destinies of the empire, and contemplating



“ Paris in prospective as the metropolis of the  
 “ world. The inhabitants of the country and of  
 “ the provincial cities—whose condition the  
 “ war renders miserable beyond description,  
 “ and who secretly invoke the bitterest curses  
 “ on their rulers—are nevertheless (for such  
 “ is the character of this extraordinary people)  
 “ not without their share in the general avidity  
 “ for power; and when the sense of their wretch-  
 “ edness does not press too strongly upon them,  
 “ can even consent to view the extension of the  
 “ national influence and renown in the light of  
 “ a personal benefit.”—*Letter on the genius  
 and dispositions of the French government. p.*  
 25, 26.

It is well known that at the outset of those  
 wars, which have since devastated Europe,  
 Great Britain displayed a very serious hostility  
 to our commerce, though her acts of violence,  
 were subsequently surpassed by France. By  
 the policy of Washington however, she was  
 led to associate our prosperity with her own,  
 and generally restrained the exercise of her  
 power, fearing the reflected operation on her

own means of wealth. But there are reasons for believing, that the necessity or value of our intercourse with her—and more especially of our power to impede it—was very much overrated by the politicians of that country, as well as of this. At all events, such are the impressions of that nation at this time. We have displayed our animosity—exposed our commercial insignificance,—and exhausted our means of retaliation: we have demonstrated at once—our hostility—and our impotence. It is not surprising therefore, that all who return from that country, should bear witness that a most determined spirit of contempt pervades that nation—as respects this, and that their views, in regard to our future commercial freedom—are oppressive and degrading. The sovereignty of the ocean, they appear to estimate as theirs, by the right of conquest—and not without a very plausible pretense. The right of conquest as relating to the land, has no other basis than the impossibility of overthrowing it. According to the universal practice of nations—every people have a right to whatever they can seize, or defend; and have no right to that—which they do not—or cannot defend.

It requires no great depth of penetration to discover, that this is the basis of the right over a conquered country. If no nation has ever yet claimed an ocean on this principle—it is only because the power has been wanting to support the claim. Is not Great Britain quite as justifiable in using the ocean for her purposes—as we are for employing our immense territory for ours? We have had no other justification for taking it from the aborigines, than that they were too weak—too ignorant—or too unwise to defend it: and have not the British all these apologies for depriving us of the ocean? For although there be wisdom—knowledge—and strength in our country, adequate to justify a very different character—have we not to lament the total absence of these qualifications—in the actual conduct of the nation!?

In the passage above quoted, from the letter on the genius and dispositions of the French government; there is a very lively—and no doubt very just picture of the ambitious fury which now possesses the people of France.



The author is certainly to be commended for opening to his countrymen a view, which should make them shudder when they reflect that for security from the ill-consequences of this mania, they are indebted to a foreign nation. But would not his merit have been much greater, had he demonstrated that a spirit of domination was no less prevalent in England as respects the ocean, than in France as respects the land. While so attentive to the songs of the latter—does he forget the spirit exhibited in the songs of the former? Has he never heard the sky resounding with the cry of “Rule Britannia, Britannia rule the waves?”—Flattering sounds to a British ear—but for the same reason humiliating to those of an American.

Many of the songs of this gallant people, display a similar thirst for maritime power. That the ambition of the French is of a more malignant cast—and much more dangerous and horrible to those who are within its scope, I will not deny. For the ideas associated with the rule of the ocean, do not so much familiarize the mind to cruelty or injustice, as the associations connected with territorial sub-



jugation. The former involves an arbitrary control—over the great highway of wealth, power, and luxury;—but the latter pursues mankind to the most sequestered retreats of social life—and assumes a tyrannick command—over all that is indispensable to human existence.

But as influencing the interests of the United States, the superiour horror of the one danger, is balanced by the greater contiguity of the other; and in both, we learn the necessity of reliance on our own resolution, rather than on the justice of either of these nations, obviously too ambitious to relinquish when they can hold—or to forbear when they can invade.

When as I have already observed, we contemplate the hostility excited in Great Britain, and revert to that deeply rooted, and confirmed antipathy, by which it has been provoked: When we consider how wide are the respective views of right; and how little the correctness—or incorrectness of such views can operate, where power is right; what has the American nation to expect during the commercial supre-

macy of that country? The answer is tremendous—commercial vassalage! Yet I do not hesitate to aver, that so long as France is to be considered as successor to the naval power of England—the destruction of this power, is deeply to be deprecated by the American patriot: and that he is indignantly obliged to hail—the partial and immediate restraints of the commercial vassal—in preference to the eventual shackles of the territorial slave. But instead of confining his eloquence to the more distant, and deleterious alternative—let him animate his countrymen, by an impartial picture of both. Let him exclaim—this is the more immediate—that the more injurious evil: Americans scorn to owe your freedom from the one—to a degrading dependency on the continuation of the other.—You are the natural inheritors of the British power and glory—be energetick, and her fall will only open the avenue to your greatness—continue timid—parsimonious—and irresolute—and your ruin will be the inevitable consequence of her destruction. Inspired by the hope—and intent on the means of future redress—in imitation of the immortal

Washington—restrain those impulses of feeling, which are inconsistent with the permanent interests of your country.

An appeal of this nature, if enforced by the powers of reason and eloquence, could not fail to divert the American people—from that intemperate indulgence of declamatory ire—which has perverted, or absorbed all the national energy. It would coincide with the national feelings, which are shocked by unqualified efforts to excite their apprehensions of France, and more especially as the prejudices of the great majority of the nation, are in the opposite—and perhaps more injurious extreme.

Considering all other nations as her natural foes, the true policy of America is to direct her whole energy to the creation of a power, adequate at some more favourable juncture—to elevate her above the evils of vassalage—or the fear of tyranny. The fall of Great Britain in that case—however deplored by all the humane and magnanimous—might by sound policy, be considered as propitious to the United States. Her naval power could never flourish under despotism—in its nature so hostile to com-



merce; and the loss of her sovereignty, would be followed by the extinction, or transplantation of all that renders her predominant. Her seamen would never become instrumental to French usurpation. Borne aloof in their invincible ships—they would securely deride the commands of the Usurper, and seeking assistance wherever wisdom should induce—and wealth should enable an ally to afford it, they would for a long time impede the maritime sway of their enemy: and might by a coalition with these states—check it for ever. That small, but invaluable portion of the British population—which would not have the opportunity gloriously to die in defence of their country—and yet should be unwilling to grace the triumph of her conqueror—carrying with it her science, her arts, and arms, would seek shelter in her foreign dominions—or on these shores; should we not be destitute of that enthusiastick sympathy, which a catastrophe so deplorable should inspire—a sympathy, not inconsistent with the views which I have taken of national conduct. For when national interest, coincides with the tendency of the generous passions; the con-

sequent excitement, is wholly attributed to these, by vanity and pride. Hence arises a sense of virtuous superiority, which enkindles in every bosom, an enthusiasm, at least, in appearance noble—and in its effects benevolent. Such was the enthusiasm displayed by the French nation during our revolution—and such was the spirit which lately animated the British towards the Spanish cause. But we have found those Frenchmen who were so active in relieving us from our dependence—equally ready to impose chains upon Europe, and the same Britons who were so prompt in furnishing arms to Spain—no less alert in striking them from the grasp of Denmark. The one might injure—the other was about to serve their cause. Such is national virtue!

But yet great as would be the stimulus of interest, that fertile source of national feeling, I acknowledge that there is a melancholy doubt as to the course we might pursue, in the event of the fall of that great nation. Such has been the infatuation of our government in respect to French aggressions—such the irresolution in every momentous crisis, that, with-

out some great change—from parsimony—from ignorance—timidity—or the seductive blandishments of France—we might hesitate to seize the golden moment—and might for ever lose the sovereignty of the ocean—nay our territorial independence—by an insane adherence to an insidious peace.

But the doubt thus excited, ought not to deter the patriot from enforcing the only counsel which is consistent with the permanent interest—and honour of the nation. He should strive to direct the national feeling into the only serviceable channel, and urge his countrymen rather to seek the power—which may guard them from insult or oppression—than waste their energies in fruitless, and premature efforts to revenge them. Anger, unsupported by power—can only excite contempt or exasperation; at all times irrational---it is particularly absurd—when indulged by one nation towards another. If there never was a people, whose power was restrained by justice or humanity---let us not wonder that France and Great Britain, are not thus restrained.\* Let us consider our

\* Previously to the usurpations of France, the nations of Europe may be considered as having formed



deprivations, as the result of the general depravity of national conduct, or to speak more strictly, let us deem them the natural consequences of their power—and our weakness; and let us direct every energy towards the correction of this weakness—as the only means

a great political community, in which a system was tacitly established for the interest, and supported by the power of the whole. Hence, in their mutual intercourse, they have been necessitated to show some respect for abstract right—but in their conduct to other nations—an avowed system of flagrant injustice has ever been displayed.

Any country not already inhabited or governed by any European people or potentate, has always been deemed a fair object of usurpation for the first of these who might claim it. A standard erected by a cruiser—has been considered a sufficient token of lawful empire.

The slave trade has been permitted almost universally by Europeans, and their colonists, and though of late forbidden in this country, and in Great Britain, this indispensable sacrifice to justice and humanity, was obtained with so much difficulty, and after so much procrastination, that there is much reason for the belief, that if there had been any general national interest favourable to it—this cruel traffick in human life or liberty—would never have ceased. But while beneficial to the avarice only of a part of a community—and so opprobrious to the character of the whole, it proves little for national virtue that this infamous

of relief. Until we shall have strength to stand alone against France—ruin must equally ensue from success or failure, in a contest with Great Britain. Unless by our hostility, we could diminish her naval power—our evils would be increased by exasperating her jealousy—and were we to humble her naval power, we should

practice should receive a check, after such long continuance.

By what right does Great Britain hold forty millions of people in India, subjected to her power—and subservient to her interests? I am disposed to believe that she governs them with more wisdom than their former masters, and consequently that they are happier under her government. But this only proves that her interest is construed with wisdom and liberality—not that she is governed by abstract views of right. If she were influenced by such views—she could not govern Hindoostan: as there cannot be a greater wrong—than that one nation should govern another.

The greatest internal evils to which a country may be subjected by its government, can never justify the interference of foreigners—since this would open an avenue to the greatest abuse. Were this an admitted justification for conquest, Bonaparte would have a very plausible apology for his invasion of Spain, which was obviously subjected to one of the worst governments. And the more flagitious the circumstances of this invasion, the more must we deprecate the subjugation

precipitate that downfall, which under existing circumstances—would expose us to a more dangerous enemy; who, by the double advantage of military and maritime force—would subject us to desolation and bloodshed—if not to slavery.

Though England can subsist without us,

of India—since, however different the practical consequences—the usurpation is in either case, the same in principle.

Austria and Prussia have only experienced the reflected operation of their own principles—as exhibited in the partition of Poland:—and although the Spaniards have much cause to complain of French inhumanity and injustice, the annals of their own country rival those of any other—in cruelty and oppression. Let them look back to their sanguinary conquest of South America—the oppression of Portugal and Holland—and the expulsion of the Moors from Spain. When reflecting on the captivity of their king—let them revert to the fate of the monarchs of Peru and Mexico—and of millions of their subjects immolated by fire—sword—or torture, to avarice and ambition. Let them contemplate the present ignorance—poverty—and servitude of their immense American dominions; where they behold the prosperity of one of the finest countries of the globe—and an immense population—sacrificed to the imaginary interests of an European peninsula—comparatively insignificant.



she is not insensible to the great advantages of an amicable intercourse, and so long as she is in dread of the growing power of her rival, she will be glad to purchase these benefits, by allowing us a commercial freedom, which her power enables her to deny. To refuse those advantages which her fears or necessities compel her to yield—because she will not grant us all, that in theory we might correctly demand, would evidently be impolitick—as on the other hand it would be disgraceful, if we could look forward with indifference to the permanency of that degrading predicament, by which the extension of our commerce—is limited by its subserviency to her interest—and the duration of our repose—dependent on the continuation of her power.

Some Americans may exclaim, let us rather abandon the ocean, than enjoy such a partial, and degrading participation in maritime advantages. To me however it appears, that a total renunciation of the ocean, is the lowest degradation; and the utter impossibility of enforcing this abandonment in practice, has already been demonstrated. A portion of our

countrymen are amphibious, and we might as well forbid the birds to fly, or the fishes to swim, as deny them access to their favourite element. Besides, a total renunciation, cuts off all hope of future, as well as of present commercial power; and should the command of the Atlantick ever fall into the power of any nation, on whom we should have no tie of interest, our seaboard might be frequently subjected to the inroads of hostility, and its horrid concomitants—plunder—and bloodshed.

By our situation, and by the genius of our government—a navy is our most effectual—and safest bulwark. It is the only engine of warfare, that can never aid in domestick oppression—always terrible to our enemies—and never dangerous to ourselves.

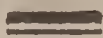
Nothing is better known to those who are familiar with history, than that the greatest incompetency of representative government, is in the emergency of sudden invasion: and that the necessity of intrusting to generals, or chief magistrates, authority to meet such emergencies, has frequently led to the downfall of popular liberty.

Were our shores unprotected by a navy, a large military force would in a state of warfare be requisite throughout the whole of our immense coast, to guard it from the sudden attack of the enemy. This would be no less oppressive in expense, and far more dangerous to liberty. In proof of the incompetency of militia, I will only refer to the opinion of the illustrious Washington—so often—and so forcibly expressed to congress, during the revolutionary war.

When we consider that this great man had such full opportunity of experiencing this mode of defence—when we recollect his pre-eminent wisdom—and immaculate virtue—how is it possible to resist the weight of his authority? In what respect can any individual presume to consider himself as competent to contradict this illustrious hero?—Who is so arrogant as to think himself Washington's superiour?—and more especially in a point, in which of all others, this celebrated general was most familiar!—Who deems himself to have more experience—more wisdom—or more virtue: and if he does not found his opinions on his own authority, if



he be disposed to receive them from another—shall it not be from Washington?—Who will venture to assert, that on a subject with which he was best acquainted, this great patriot was either so weak, as to be incapable of forming a correct opinion—or too dishonest to express what he really thought? Shall we not rather distrust those, who would impeach—the virtue—or ability—of our immortal chief, by consigning his views of the militia system, to that contemptuous oblivion—which should only await the emanations of folly—ignorance—or deceit?\*



The only obstacle to the creation of a navy—is the expense; but all history demonstrates, that no economy is so false—as that which leaves a nation defenceless. Governed by laws, which

\* I have annexed in an appendix some portions of the letters alluded to above. They afford such a weight of facts, arguments, and authority, all tending to demonstrate the incompetency of militia; that it is difficult to conceive how any one, consistently with reason or candour, can uphold this engine as competent for our future defence. [See Appendix Note A.]

if they do not stimulate—are not injurious to industry—a prospect of wealth is open to us greater than has ever been displayed to a nation, if we be well defended against foreign oppression.

The riches of individuals are valued in proportion to their annual increase; were the same measure applied to national resources, where is the country that can boast of an equality with the United States?—Doubling our population and quadrupling our wealth, in the short space which is requisite to convert the infant into the man;—what may we not anticipate, for the great object of commercial emancipation?

The debts contracted for this invaluable purpose, must inevitably be answered, by the prosperity they ensure. Parsimonious views—would have checked our glorious revolution. The fear of bequeathing debt to posterity—is absurd. If we leave to them the power to defend their rights: and thus secure their future opulence, we provide eventually, ample means to answer every draught. But if we should bequeath them—imbecility—and hopeless vassalage; we leave to them a burden,

which nothing can relieve;—but those exertions, which we should have taught them to neglect, by our ignoble inactivity, and irresolution. Much time, and many opportunities have already been lost—greatly to the disadvantage of the cause:—for the later we commence our exertions—the more remote the period of their efficiency. Our national vessel is embarked on a voyage, which must certainly terminate in a most prosperous issue;—if she be skilfully navigated—and courageously defended.—Shall we then hesitate to borrow the arms and accoutrements, which will not only ensure us the means to repay the loan; but supply an ample fund for expenditure, in the great mart of national prosperity?

The aversion of the majority of our countrymen from national debt, is our greatest obstacle. Familiar with the evils arising from insolvency, in any of the members of society;—by a false association, or analogy, they presume that the insolvency of a government, must be pregnant with consequences equally injurious to a nation. They are not aware that so long as the interest on publick



debt is paid, insolvency in a government is only apparent. Nor do they see that credit is under some circumstances, equivalent to capital:— and that as much may be lost, by not employing credit—as by not occupying capital.

Nor is it wonderful, that impressions unfavourable to the operation of credit, and the influence of publick debt, should so much prevail, when we find them emanating from authority no less eminent than that of Hume and Smith. The writings of these great men, are now in the hands of almost every well educated politician, and have on our economical speculations, an influence, which though in general well deserved, is I imagine, very injurious, so far as it has tended to cause or to confirm opinions, unfavourable to the employment of national credit. It was predicted by these eminent writers, that this great engine of wealth and power would become ruinous, when exercised to an extent very much short of that to which it has since been strained by Great Britain.— The financial experience of that country, has since fully exposed the fallacy of these predictions, which appear to have arisen from

the notion, that credit in its favourable operation on publick wealth, acts merely as subsidiary to gold and silver money, of which it has been considered as the mere representative, and more especially, when brought into circulation, in the form of notes, bills, bonds, or certificates.\* But attentive examination may show, that credit constitutes an original, and in some respects a peculiarly beneficial medium of interchange in trade, not only performing many of the operations which in its absence would be performed by specie, but a multitude which the latter cannot reach consistently with the ordinary current of human

\* “Comme l’argent est le signe des valeurs des marchandises, le papier est un signe de la valeur de l’argent; et, lorsqu’il est bon, il le représente tellement, que, quant à l’effet, il n’y a point de différence.” [*Montesquieu De L’Esprit Des Loix. Tome 2nd. p. 272.*]

“The whole paper money of *every kind* which can *easily* circulate in any country, never can exceed the value of the gold and silver of which it supplies the place, or which (the commerce being supposed the same) would circulate there, if there was no paper money.” [*Smith’s Wealth of Nations, Vol. I. p. 452.*]

affairs. That credit is therefore collateral, rather than subsidiary, in its operation to gold and silver; and that these metals are not represented by it, but are merely the measure of its value, or medium of its exchange; in which respect they are rather subsidiary to credit, than the latter to them.

One of the celebrated writers above quoted, has offered a well known illustration,\* of the manner, and the degree, in which the precious metals are useful as the instrument of commerce, or in other words, as the medium of commercial interchange—and from what causes the employment of them as such, is a measure of necessity among opulent nations. The object which I have in view, is to show the manner, and the degree in which credit performs the same office—and thence to deduce how far it should be considered as constituting a portion of national wealth.

\* I have from Smith's *Wealth of Nations*, quoted this illustration in the appendix, and beg leave to refer to it those readers with whom this subject may not be familiar: for as credit, and gold and silver, as the means of interchange, derive their value from



The following I imagine to be a simple, and obvious illustration of the primitive operation of credit, as a mean of commercial interchange:— A raw material, being sold on credit, in lieu of remaining idle in the hands of the farmer, becomes in those of the manufacturer, an useful article; and he is enabled to return the farmer a better price, and to furnish the merchant or consumer, a larger and cheaper supply, for home consumption or exportation. The same or other merchants or manufacturers in the mean time, afford to the same or to other farmers, the necessary articles for consumption, or implements for agriculture, which would have remained useless in their shops or stores, unless the parties at the outset, should have a sufficient command of some substantial medium of interchange, to make their respective purchases.

In the negotiation thus cited, each individual buys through the medium of his credit, and

an agency in some degree similar—a clear conception of the operation of the one, must tend very much to facilitate our views of the operation of the other. [See Appendix, Note B.]

the several persons concerned, may have current accounts with each other, without any reference to money, unless as the received standard of value. In this case therefore, the employment of credit, supersedes that of gold and silver, or any other substantial medium of interchange; and it may be considered as performing the office of such a medium, in a limited degree.

It is also apparent from this familiar illustration, that the same quantity of land, labour, or capital stock, may be rendered much more productive with credit, than without it. Consequently the excess of efficiency gained through the influence of credit, is fairly attributable to it; and hence credit under all its productive forms, should be comprised in any estimate of wealth. For as land, labour, and capital stock, are solely valuable on account of their actual, or probable efficiency—credit so far as it increases this efficiency—must have equal pretensions to value.

If a nation, or an individual has the power to borrow, when others have it not in an equal degree; and the first by these means, can attain

some valuable acquisition, or can avoid some serious loss, which cannot be gained or avoided by the last; it is obvious, that the former, when compared with the latter, has more of the efficiency of wealth or in other words, is more wealthy. A valuable or productive qualification is possessed.—What is it worth?—The answer is plain—what it will bring.

Under a strict system of law, where the payment of debts is rigorously enforced, credit in that simple and primitive form in which it has just now been depicted, so far as it answers the purpose of a medium of interchange, is preferable to money. The man who enjoys the one, has nearly an equal facility with him who commands the other, in the purchase of materials for trade, or manufacture. But the stimulus to industry, or exertion, is very different in the two cases. The mechanick who has an hundred dollars, can live without work so long as it lasts. He may spend the whole, or a part, in his pleasures, or for his sustenance, and may work proportionably less. But the mechanick who can command credit to the amount of an hundred dollars, has nearly the same ca-



capacity to earn money, as the other; but his privilege will not sustain him in idleness, or dissipation. It can only be of use to him, through the medium of his industry; unless he is impelled by dishonesty, to become a swindler, and permitted by the law to be so with impunity.

Were the advantages of a high state of mercantile confidence well understood in this country, the laws against swindling would be much more severe. The man who borrows an hundred dollars and dissipates it by idleness, or in pleasure, should be prosecuted with greater severity than a thief; as he is more injurious to society. He not only destroys for his creditor the amount which he has borrowed, but by increasing distrust; or in other words, diminishing credit, he reduces the profit, and impedes the exertions of others, who are honest and industrious. But this is not a necessary consequence of credit, at least the frequency of such consequences, is very much dependent on the laws.

It may however be demanded, wherefore should not the money obtained through the

medium of industry and credit, equally facilitate idleness or debauchery, as the same amount, when originally possessed. I answer that ere any one can by such means earn any considerable sum, his habits must receive a permanent bias favourable to economy and exertion. Experience shows, that the money obtained by inheritance or by fortuitous events, is very often squandered; while that which has been procured by toil and care, is most frequently employed, or disbursed, with prudence or frugality.

The facility given to knaves and idlers, in their exactions from the honest and industrious, is the greatest evil of credit: an evil which can only be diminished by the most rigorous punishment of debtors, who by an obvious misapplication of the property which they borrow, prove themselves to be wanting in honesty. The rigid enforcement of penalties against all who thus live upon the publick, would tend to throw all the efficient power of credit into the hands of those who would make an honest use of it, who do not borrow, without a fair prospect of profit, and are necessarily

industrious, that they may guard against the evils of failure.

I have made this digression, in order to show, that those ill consequences which at first sight appear to be the unavoidable concomitant of the prevalence of credit, in a great measure result from defects in the nature or execution of the laws; and that if these were more perfect, and more rigorously executed, credit would rather encourage industry, than open the door to idleness, or fraud.

In fact there is no other medium by which the advantages of capital, can be diffused generally and permanently throughout any nation. For were this object to be accomplished, by a judicious donation of gold and silver to every one who would make a profitable use of that command of the objects of trade, or implements, or materials of manufacture which they afford; although the immediate effects would be highly beneficial, in a few generations, the extravagance—idleness—or folly of some;—and the economy—the industry—and prudence of others, would concentrate the great mass of capital, in the



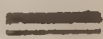
hands of a small number, compared with the whole population.

The manufacturing or trading stock, which had been preserved by the care, or exertion of the father; would in many cases be dissipated by the sloth or extravagance of the son;—and the frugal and industrious son, would no less often be deprived by the indolent or extravagant father, of that command of capital, which had been conferred on his ancestors.—But credit being in great measure created by industry, skill, and integrity—the possessor of these in every well regulated society, will have a greater or less command of such portions of the general stock or capital, as he can employ to so much greater advantage than the possessors, as to afford them a greater compensation for the loan of it, than they could otherwise derive: provided, that his pretensions to credit be known to those, who may have the particular articles which it may be his interest to borrow, and their interest to lend. This last requisite however, in the ordinary course of affairs must be frequently wanting. However great the credit of a man with those who are acquainted with him, the number who may have this acquaint-

tance, must always be limited; and very often among this number, that unoccupied capital will not be found, which it may be his interest to procure. Hence to give a more general efficiency to the credit of individuals, banking institutions are established; which by the notoriety of their wealth and punctuality, obtain universal credit: and by their extensive means of information, are enabled duly to estimate the degree of confidence to which traders may be entitled. The traders become responsible to the bank, and the latter to the community on receiving a due compensation for the accommodation afforded, in giving a general efficiency to the credit of those, who otherwise could only exercise it within a limited sphere.

By this investigation, I have endeavoured to prove, that as instruments of commercial interchange, there is a radical difference in the operation of credit, and that of gold and silver money. However great may be the quantity of these metals in a country, it does not follow that they will reach the hands by which they would be most profitably employed. The command of them, is the exclusive attribute of the wealthy, while

the command of credit, is the universal attribute of the honest, the skilful, and industrious. To employ the first as a mean of wealth, requires the previous acquisition of wealth, or in other words, that the effect should in some degree, precede the cause. To employ the last, only requires honesty, industry, and skill. Indeed honesty of principle, is not requisite, where the custom of trade, or the rigour of the law, renders a faithful payment of debts the most profitable course. Prone in common with all substantial and hereditary wealth, to subside into channels rather ample than numerous, the precious metals flow through a country in large streams, which carry out as much as they bring in, and contribute more to partial magnificence, than to general fertility: while credit, springing up in innumerable self-created rills, diffuses a fertilizing influence throughout every region.



I trust it must be sufficiently plain from what I have advanced, that those who are endowed with mercantile credit, enjoy a valuable qualifi-



cation or privilege in trade, when compared with those who have not this endowment. But it often happens that those who are in the latter predicament are so situated, that they could employ credit to advantage: while those who can command it, have no direct opening for the employment. It is not then surprising, that some mode should have been devised, by which the credit of the one, should be made efficient in the hands of the other. This has been effected by various instruments of writing, by which any individual, company, or nation, can alienate for a certain time, any portion of that credit, which they cannot directly employ.

The various papers thus endowed with alienated credit, have been designated by the generick term—paper credit. This, as I have before observed, has been deemed the mere representative, or substitute, of gold and silver money;—but from the preceding inquiry, it does not appear that this supposition is warranted—since it has been shown, that the principle to which the paper is indebted for its activity—may exist—or spontaneously originate, under circumstances, in which the

precious metals—do not exist—and cannot originate.

Alienated credit may be no less current than coin, as in the case of bank checks or notes; or it may have a limited and sluggish currency, as in the case of mercantile notes, or bonds, bills, or certificates.

In the case where it passes current, it answers the purpose of coin in circulation. In the case where it has only a limited currency, it takes the place of hoarded treasure.

In either of the forms just delineated, or that more simple and primitive form at first described, credit virtually constitutes a portion of commercial capital. It may be said to be the offspring of capital. This I do not deny, so far as capital inspires confidence: but in this respect, it only acts in common with all other sources of confidence. In fact capital is not always productive of credit; and the latter often arises without it. We sometimes trust the poor honest man, in preference to the wealthy rogue: and in a poor country, where morality is strict, and the laws rigid, more credit will be in operation, than in a rich country, where vice prevails, and the

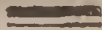
laws are inefficient. A poor man may have credit upon the pledge of future earnings, though he pay a higher premium, on account of his probable insolvency, in case of death or sickness. Thus a poor supercargo may take up money upon respondentia, in which case the underwriters take a premium competent to balance those risks, which the debtor cannot control: but it is obvious that all the profit which the supercargo may derive upon the money thus taken up, beyond his commissions, is due to his credit with the underwriters, founded on a confidence in his integrity, on the coercive operation of law, or custom; and on the disadvantage which he must incur, if by a failure in his engagements he should lose that credit, which is indispensable to his mercantile career.

But though capital is not necessary to create credit, this can have no efficiency without it. It avails little that people are satisfied of credit, if they have no capital to lend. Credit is therefore an accelerating cause, not a primary source of wealth: and its efficiency is regulated by the state of morality, the wisdom and certainty of the laws, the quantity of capital, and



the field for its operation. It is not, however, limited by the quantity of capital within the nation, when there exists a free intercourse with other nations, where it abounds in greater proportion to the field for employment.

In this we see the immense importance of fair dealing with foreigners, and of affording them the greatest legal facilities in the recovery of their debts. Should the foreign purchasers of our bank, or national stock, be at any time subjected to loss by the want of adequate legislative steadiness or support; it will cause an injurious diminution in the efficiency of our commercial credit, by limiting or reducing the quantum of capital, by which this credit is regulated.



It has already been shown that among individuals, credit as a medium of commercial interchange, has a more beneficial operation than money, in this important point: that the latter may be applied to the support of idleness or pleasure, whereas the former can only be productive through the medium of industry,

and of course will incite the possessor to be industrious; unless he be willing by employing it dishonestly, to incur the evils of legal punishment, of lost character, and of lost credit.

Among nations, in a mode in some degree similar, credit as a medium of commercial interchange, has the advantage, when compared with gold and silver money.

The nation which abounds with the latter, to a superiour extent, will not be industrious; but will buy of her neighbours, until her quantum is reduced nearly to the general level. It is well known in what manner this abundance destroyed the industry of Spain.\* If the abundance should increase throughout the world, coin would be rendered less convenient by bearing less value in proportion to its bulk; but the efficiency of it, would not be increased. The effect of such a depreciation, is demonstrated by Mr. Hume, in his essay on money; though he appears to have erred in supposing, that it could arise from superabundance of gold and silver in one country alone.

\* See Montesquieu *D'Esprit des Loix*; Tome 2d, page 258.

The nation on the contrary, possessing credit as a medium of commercial interchange, has that, which can only be of service, in affording facilities to domestick exertion: and the more it abounds, the more are these facilities augmented.

It is observed by Mr. Thornton, in his ingenious inquiry, that the aggregate of the national capital, is not increased by paper credit; because if it forms an article on the credit side of the accounts of one man, it forms an equal debit on the contrary side of the accounts of another.\* But I answer, that although the nominal aggregate of the commercial capital is not increased, the efficiency of the whole, and consequently the real value is increased; and that in estimating his capacity to grow rich; each individual may with propriety inquire—not only how much property he has, and can employ profitably—but how much he can borrow, and employ profitably;—and that a greater power in the one respect—may balance a lesser possession in the other.

\* See appendix—note C.



Hence in a country where there are many individuals, who possess this power to borrow, and to employ profitably; there will virtually be more wealth than in a country where there are few such individuals; although the quantity of substantial capital, and the field of profitable employment, should be equally great. The prevalence of paper credit, demonstrates at once the existence and the activity of this power to borrow, and profitably to employ; and it should of course be taken into consideration in any comparative estimate of the wealth of any two communities. For, though a considerable portion of the active credit in any community, will be employed to facilitate useless, fraudulent, or losing transactions; yet, the general and permanent employment of it, is a sufficient proof that the aggregate benefit, much exceeds the aggregate evil: and it is by the excess of the former, over the latter, that we must rate the value of credit; as we compute the profits of stock, from the balance of profit and loss. It is not an objection to the value of credit, that it is partially productive of loss, or of fraud. Substantial capital is

often employed to the detriment of the owner, and of the community; but this does not deprive capital in the aggregate of a value, proportioned to its average profit.

If the trade of one nation be carried on by credit, and that of another be carried on by gold, there is no less reason for attaching value to credit in the first instance, than for attaching it to gold in the last.

Any great extension or diffusion of the advantages of credit, demands a high degree of security from internal disturbance, or external dangers; and an improved state of trade, law, and morality. Now, when a nation from superiority in these advantages, is enabled to perform with credit not only the greater part of those operations which other nations perform with gold; but to enjoy from the activity of this invisible principle of wealth, a diffusion of the advantages of capital, and many well known conveniences or facilities which the precious metals cannot afford; she is obviously justified in taking this principle of wealth in all its active forms, into any computation of comparative resources.\* For absurd as it

See appendix—note D.

would be to estimate debts in themselves under any form, as a portion of wealth, they ought nevertheless to be computed as so many demonstrations of the beneficial activity of that credit, which in efficiency is proved to be more than equivalent to gold.

The difficulty attendant on the conception that paper credit should be comprised in an estimate of national capital, arises from the notion, that the debt itself is the object of valuation; whereas the real object of valuation, is the principle by which the debt is enabled to exist: and the latter is only computed, as the measure of the activity of this principle. Hence, it is not an objection, that the paper is at some period to be redeemed. The extension of a note, is not attended by an extinction of the principle to which it is indebted for existence; and accordingly a new note like a phoenix may spring from its ashes, differing in substance, but possessing the same principle of vitality.

Both the United States and Great Britain preeminently enjoy that security from commotion, or invasion, and that improved state of law, morality, and trade, which conduce most



to give efficiency to credit.\* In comparing the resources of these countries with that of others, we should therefore form a very erroneous estimate, were credit excluded from valuation.

It has been from the want of due attention to the advantage of a superiour capacity in the employment of this potent instrument, that ruin has so often been predicted, to be the inevitable consequence of the financial system pursued by the last mentioned nation; instead of the opulence, security, and power, which have actually resulted. And on the other hand, a want of due comprehension of our own superiour competency to use the same engine, is the principal cause of our present imbecility.

An objection to credit as a medium of interchange, may be founded on its liability to depreciation in moments of alarm, arising from anarchy or invasion. This must undoubtedly at such periods, cause great embarrassment in trade; and much loss to individuals who hold large sums in paper, or alienated credit. But it is to be recollected, that the cost of credit originally is but little to the community at large.

See appendix—note E

Hence, although it should depreciate to nothing, there would arise no great national loss; unless in the temporary diminution of profit, resulting from the stagnation of trade. But this stagnation in moments of national danger, would in great measure ensue, although gold and silver should be the medium employed; and at all events, the nation is gainer by all the wealth, which may have accrued during the intervening efficiency of credit. If actual invasion takes place, this depreciation may cause an eventual saving: as in lieu of specie, the plunderer would find both the private and publick coffers filled with paper no longer endowed with the principle, to which it had owed its value.

The retreat of the invaders, might be followed by a restoration of credit; but not by a restoration of the gold and silver, or other substantial and moveable property, of which temporary success might have given them the command.

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The very active currency of bank checks and notes, is due to their superiority over

gold and silver money, in conveniency of form and bulk; and to the excellent management of the banks; who, by keeping a sum always ready to answer demands, in a great measure avoid them, and thus extend and confirm the general confidence in their credit. In this case the expense of giving currency to credit, is measured by the interest of the sum kept unemployed in their vaults.

Bonds, bills, notes, bank stock, or national certificates, owe their more sluggish currency, to the payment of that interest, discount, or dividend, which renders it desirable or satisfactory to many individuals, to keep them in preference to money; as they afford equal security against eventual want, and are productive of a revenue to the holder.\*

The sum necessarily kept unoccupied by the banks to answer demands, being very small compared with the amount of their paper in circulation; the expense of supporting the currency of bank notes or checks, is inconsiderable. That incurred in supporting the currency of the national certificates, is balanced by a

See appendix—note F.



proper application of the fund created by the sale of them.

Making due allowance for the obligation annually to pay the interest, national borrowings may be considered as sales of credit; which under the form of the certificates, takes the place in the hands of individuals, of the property received by the nation in payment. The certificates may be considered as permanently sold; and if the property received in return for them, by expenditure in objects tending to defence or improvement—be productive of advantage, or preventive of evil, adequate to its value—or to defray the annual expense of supporting the currency of the certificates—the means of the nation are virtually increased, by the whole amount of the sale, if the quantity sold be restrained within due limits. For the national stock thus created, forms a new, and most convenient medium of commercial interchange; and consequently has no less value than those precious metals, which owe their usefulness principally to the same source.

It appears from the illustration of the origin and use of money, to which I have already re-

ferred, that these metals comprise many qualifications indispensable in an efficient circulating medium, and which are collectively found in no other substances. Hence so far as they are not superseded by credit, commercial nations are universally necessitated to employ them, as the medium of interchange.

When not among the productions of a country, the gold and silver required for this purpose, can only be purchased by an equivalent amount in the productions of agriculture or art: and when these metals are among the productions of a country, they are rarely to be procured without a degree of labour and expense, nearly equal to their value.

But unless we subtract the comparatively trifling expense, of the banks, and loan offices; or that incurred as above stated in supporting the currency of the national certificates, or the bank paper; alienated credit under either of these forms, constitutes a medium of interchange, created without expenditure of labour, or advance of capital; and may be created when that command of labour and capital, which would be requisite to purchase any substitute,

may be totally out of the power of the nation. This inference is not hypothetical. Three fourths of the capital of the bank United States, originally consisted of national debt: yet upon this basis, was that credit founded, which has enabled this institution effectively to yield to the trade of the United States, sixteen millions of dollars. And hence it appears that these States not only gained by the employment of their credit, all those advantages which flowed from our glorious revolution; but that the certificates issued to pay the debt thus created, became a most productive source of wealth: constituting that species of manageable property, which enhances the value of all other property, by facilitating commercial interchange.

From this successful experiment of the capacity of the national certificates, to answer one principal office of a medium of interchange, it seems that three-fourths of the capital of all the banking companies throughout the union, may consist of alienated national credit, under this form. A much larger proportion of the capital of the ensurance companies, might be thus constituted.



From these data we may infer, that our public debt may accumulate in a regular ratio, to the demand for banking or ensurance capital; and as in these states bank paper, as a circulating medium, obtains a decided preference over gold and silver; it follows, that although our country is not rich in these metals, it is rich in an equivalent principle of wealth.\* To the profitable employment thus afforded to national certificates, we must add all that would be useful in the hands of individuals, or which we might sell abroad.

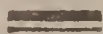
In respect to the portion alienated abroad, some additional observations may be necessary. It is obvious that this portion must be exchanged for foreign produce, manufactures, or specie. The usual course of exchange does not however admit of a return of specie. The inquiry therefore should be—whether by alienating credit, or by the ordinary means, the nation procures the foreign produce or manufactures cheaper. When received in return for certificates, our imports cost us an annual interest. When obtained in the ordinary way, they are purchased directly or indirectly by an

\* See appendix—note G.

equivalent amount, in natural or artificial productions. The inquiry then resolves itself into the question—is it more advantageous to give interest for capital, or to exchange capital for capital? I answer that as the profits of the latter in this country, are immensely higher than the former, it is better for us to pay the interest, than part with the capital. Besides it is to be recollected, that our produce is not always desirable to foreigners, in the degree in which their manufactures and produce is desirable to us. Hence we may procure capital from abroad, in return for our credit; which we cannot procure by the exchange of our staple productions. On the amount thus obtained, we pay interest at six per cent. and make a profit probably of twenty. When the government with the proceeds of its credit alienated abroad, purchases produce of the farmer or landholder, for defence or improvement; the nation in the first place gains by the excess of the advantage resulting annually from the improvement or defence, over the interest paid to the foreign creditor; and in the second place, by the superior efficiency of the property received, over that which is consumed. Or by the advantage

of exchanging those raw materials of which we have a superabundance, for articles of which we are greatly in want.

Nearly similar are the advantages which are derived from the sale of our bank stock in foreign countries. For though the proceeds of the sale go into the coffers of the banks, the means of the nation are equally increased; as it enables the banks to make greater advances, either to the government, or to individuals.



The alienation of bank credit in the form of notes, might be deemed a permanent sale, if these institutions were permanent; but as they are temporary, it must be deemed a lease during the period of their existence. For though their notes may be returned by one individual, they are immediately paid away to another; the quantity alienated, being on the whole nearly the same. Banks therefore, may be considered as associations for creating and loaning credit. They may be said to lend their credit to traders, accepting of the credit of these under the form of mercantile notes, as security; the superiour currency of the bank credit, being compensated



by a discount. Were an institution of this sort, connected indissolubly with the government; the period of the lease might be considered as so remote, as to be equivalent to sale.

There may be great difficulties in converting banks into national institutions, instead of being left to private companies; but it is certainly unfair, that the whole of the profits resulting from them, should belong to the subscribers. The profit which they reap, is disproportionate to their exertions, and is derived from that efficiency of commercial credit in general, which ought not to be engrossed for the profit of any association in particular. At the establishment of every bank therefore, the publick may with propriety claim a portion of the stock, sufficient to prevent that rise in value, which causes to the projectors a gain, quite disproportionate to their industry, or the capital which they invest. This would prevent the injurious multiplication of these institutions, and would constitute a fair source of revenue; but it would be unjust to tax, and thereby to depreciate bank stock, when it has been transferred into the hands of those who may have bought it after the rise has taken place.

Banks, receive interest or discount for the loan of their credit. Governments, receive capital or services in return for theirs, paying interest as I have already observed, for the difference between the currency of their stock, and the currency of money. Were any mode contrived of giving greater currency to any portion of government paper, or stock; the annual payment on that portion might be diminished; but at all events I do not conceive, that a government should borrow under the idea of repayment.—The alienation of the public credit, should be considered as a permanent, and complete sale; or at any rate, as a lease, terminating only with the extinction of the government, and of course accompanied by the cessation of all responsibility. For the right to receive the interest of a hundred dollars, is equivalent to this sum, so long as this right remains unimpeached. Though a debtor should be insolvent, so long as by his earnings he pays the interest of his debts, his creditors do not lose: and were he for ever to live, and to pay this interest, they would never be losers. It is in this predicament, that

the creditors of a government may be supposed to stand. The government never dies; or at all events, its stability is equal to that of property in general, which yields an annual income. Or if the government should perish through anarchy or invasion, its debts are answered as honourably, as those of any insolvent debtor, who is deprived of the power to meet his engagements by sudden death.

The only idea which influences the purchaser of certificates, is their probable value in the market. The approach of the period assigned for their redemption, is generally found to diminish this value; and of course it is probable that an indefinite postponement of the period of redemption, would have an opposite effect. But if the idea of eventual repayment, be supposed necessary to support the market price of stock;—is not this expectation easily answered by assigning a definite time for the payment of the certificates? The approach of this time would induce the stockholders to wish a postponement, in order to avoid the depreciation which usually follows: or at all events, the old debt might easily be paid, by



the proceeds of a new loan. In either case, the object of a perpetual alienation of credit, would equally be effected.

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Enough has been said to demonstrate, that the poorer classes of society are very much gainers, if the capital obtained from wealthy citizens, or foreigners through the medium of the publick credit, be employed in the execution of designs worthy of its value. In any event, the poorer classes can have no reason to complain, as they can never be called upon to pay more than that annual interest, which is so trifling when compared with the annual advantage, if the capital obtained by it, be invested in objects permanently beneficial. I say permanently, because it does not appear correct to employ the means afforded by credit, in defraying the ordinary expenses of government. This would in truth be a robbery of posterity; and in order to avoid a measure so replete with opprobrium, the publick credit should only be resorted to under circumstances, where the permanent character, or prosperity of the nation may be at stake.

The fear of an eventual necessity of taxation, as the means of repaying national debt, is absurd. The imposition of taxes requires stability and energy in the government, and consequently the continuance of that credit, which renders taxation useless. The creditors of the government, will always be aware that the people will not submit to a measure so oppressive. On this account they will ever be adverse to taxation; as instead of furnishing the means of repayment, it would endanger the stability of the government, and consequently the firmness or value of that credit, of which they will have become the proprietors.

In Great Britain, where, from the pressure of the times, money has been borrowed to an extreme probably injurious, and only to be justified by absolute necessity; the utter impossibility of repaying her creditors is admitted, yet these are content. It is true that the interest of her debt alone, appears to be very burdensome: but as the people can never be called upon for the payment of the principal, if this has been spent in objects durably advantageous, they are gainers proportionably,

Whether it has, or has not been spent to advantage, is of no importance to my argument; since no one can deny, that it might have been well spent. And without attempting to justify much fruitless, and perhaps illjudged continental warfare; it seems to me, that the advantages resulting—from the preservation of her liberty—the protection of her industry—and the conquest of the ocean—are more than equivalent to all her expenditure. Her domestick tranquillity by these means ensured, has by the great improvement consequently arising in her arts, and manufactures; enabled her to obtain from a large portion of the world—a voluntary tribute to her ingenuity and skill—while by her all powerful navy, she exacts upon the ocean—an involuntary obedience to her power.

When we pity her artists, or manufacturers for the taxes which they support, we should not forget that we buy their productions at a proportionate advance. But what magnanimous patriot—will consider this as a cold question of pecuniary calculation?—Were Great Britain relieved from the unnecessary expenditure in



the support of an injurious pomp and luxury—who would hesitate to say—she has exercised a noble extravagance?—For what sum can be equivalent to the sovereignty of the ocean—or to the trident of Neptune—which sways uncontrolled three quarters of the globe?—What noble Briton is unwilling to share his portion of burdens—which render him a participator—in such a glorious pre-eminence? And shall Americans prefer a grovelling commercial inferiority—to a publick debt—the expected evils of which, are proved to be imaginary; while the advantages may be equivalent—to national salvation—or to the difference between the degrading situation in which we now repose—and that glorious rank to which we should have been elevated—by the policy of Washington, and his coadjutors?

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I will now venture to hope, that the reader who has honoured the preceding investigation with a careful scrutiny, will be ready to admit, that by not employing efficient credit in objects

of improvement or defence, a nation may be just as much a loser, as if these objects were neglected, when the requisite means should remain idle in the national coffers. Also that in the worst event, the poorer classes of society can never be called upon to pay a publick debt; the stockholders alone, being in the worst issue liable to loss.

The stockholders are of course the best guardians of their own money; and best able to judge, how far they may venture to exchange it for certificates of debt, and for what remuneration. Let us therefore proceed to consider the operation of the fund produced by the exchange, when employed under that vigilant jealousy, which guards the disbursements of popular governments. Let us consider, how much profit would be afforded to the farmer, the landholder, the mechanick, or manufacturer, in the expenditure of ten or twenty millions, in the construction of a navy. The money expended remaining in the country, the actual expenditure of the national wealth, would be in the produce or labour of the country; or what they purchase from abroad. From

the whole amount thus expended, however, we must deduct all those profits or wages, which would not have been earned but for this extra demand. We must deduct the timber, or iron, which would have remained useless in the forest or in the mine; and those hours of idleness which would have occurred, had not the stimulus of the national credit, incited industry to unusual efforts. For it should be recollected, that a people are not made poorer or less happy by a system, which causes considerable expenditure; if at the same time it occasions an equivalent increase, of the demand for produce, and of stimulus to industry. A nation is always rendered more cheerful by brisk occupation. In every department of life, much time is wasted, or much exertion omitted, from the want of some profitable or interesting excitement to activity. Those persons who are the most subjected to such excitement, are always the most happy; and it will be found that the habit of industry becomes so forcible, and so much improves by exercise, that men whose avocations are the laborious and urgent, are often found to execute each minute duty with more exactitude



than they are executed by others of whom the occupations are few and unimportant. A little extra exertion in eight millions of people, will have wonderful effects, and more especially, when freed from those oppressive exactions, or unsurmountable obstacles, by which industry is checked or depressed throughout the greater part of the globe; and while enjoying an extensive and luxuriant territory, in fertility so much surpassing, every immediate, and pressing want.

A very small increase of individual assiduity, would cause an annual augmentation of produce equivalent to ten dollars for every effective man; and supposing all the effective labour of the eight millions to be equal to two millions of such men; the national means, by such an increase of effort, would be augmented annually by twenty millions of dollars.

It is not correct to say, that we produce already as much as we can. The prodigious amount of our exports during periods of extraordinary foreign demand, sufficiently proves that in ordinary times, we have not full employment for our means of production.

But in addition to all these flattering views of our national resources—we are diurnally increasing them. The credit of the United States is susceptible of useful employment, in a ratio to their wealth and population nearly invariable. If at the period of the establishment of the federal government, we supported with facility, debt to the amount of seventy millions of dollars, we may now with no less ease, support quadruple the amount. For since upon an average we may conclude, that at least twice the quantum of wealth would now be found in an equal number of persons: it follows, that while our population has doubled, our wealth has attained a fourfold increase. Were our prosperity to continue equally great, in twenty years we might multiply by four, this fourfold capacity to employ our national credit, without altering the correctness of its proportion to that capital, by which its efficiency is limited.

It cannot be denied that it is always correct to borrow, when the advantage to be gained, or when the evil to be warded off by means of the money borrowed, is much greater than the expense of the loan.

The only objection to borrowing, is the uncertainty of the issue of the trade, in which the loan may be invested. But the United States may be considered as a trader, whose prosperous returns are mathematically certain, if through timidity or negligence, he does not refuse, or neglect the advantages, which are strowed in his path.

The influence of a vigorous system of external defence, and of internal improvement of roads and navigation, furnish an ample and secure field for the employment of our national credit. Shall we then from a shortsighted, erroneous parsimony, neglect to employ this potent mean of wealth and power ?

The advantage of our remote situation would give to twenty ships of the line, as an engine of defence, an efficacy very much greater than an equal number in Europe; and especially during the boisterous season. A gale would do more for us than a victory, in removing hostility from our shores: and our ships sallying out in pursuit of the straggling, and dismantled remnants of the enemy, would find them an easy prey.



The cost of such an armament would be much inferiour to the amount, of which we have been robbed, or deprived, through our maritime imbecility, independently of that loss of honour and character, which surpasses valuation.

Had our harbours been properly defended, Pearce had not been killed, nor the Chesapeake attacked; and we should have escaped many other indignities, resulting from the arbitrary and unawed authority of subaltern commanders. They would not have dared to commit acts involving actual war. They were aware that this was not the interest of their country. England never wished war with America, and the mass of the democrattick party, together with their principal leaders, have always been really averse from war with England. Nothing was more inconsistent with the tameness of the policy of Jefferson. He menaced war, as many do who are unwilling to fight: but it is impossible to discover during the whole of his presidency, a single efficient belligerent preparation. Had his opponents urged war with England, they would infinitely more have

perplexed him, than by opposing it. There is a faction in the seaports disposed to war with that country, influenced by resentment, or an ill founded hope of profitable captures; but the mass of his partisans, know the futility of their system, in time of war.

To estimate the advantageous consequences of a very small maritime force, in preventing the outrages of France; let us only revert to the period when Truxton, and others, so successfully employed the small armament intrusted to them. However incompetent our power to oppose the navy of England, we might at least retaliate the aggressions of Napoleon.

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Having now completed the design prescribed at the commencement of this pamphlet, I shall conclude with some desultory observations; duly forewarning the reader, that they do not strictly relate to the subject of the preceding pages.

Although in the course of these essays, I have adverted to the evils of popular governments—and have censured the errors of that under which we live; I hope it will be under-

stood—that I censure as a friend—not as an enemy. The more we are attached to this form of government—the more we should deprecate those extremes, which have in all ages caused the disgrace and destruction of popular liberty. But all governments have their defects; and it is only in the management of our exterior relations—that we have very serious cause for complaint. If in respect to our interior government we have less cause for pride, or exultation than other nations—we have much less cause for grief.

Through the ignorance of our state governments—some local grievances have arisen—and more no doubt will arise.—Some good laws will be repealed—and many bad ones will be enacted—but where is the country, which is exempt from the evils of erroneous legislation? It is true our government has little power to restrain the people from excesses—but no people are so little disposed to commit them. At our popular elections or town meetings, where passions are most excited, it is rare to experience the slightest insult or personal violence.



Through the general diffusion of wealth—there is no country more secure from the worst consequences of anarchy than this; because there is none, where there are so many interested, in the preservation of property. When the incendiary lights his torch—the yeoman will think of his barn—and will snatch his musket in defence of his neighbour's house—lest the flames should extend to his own.

Though from its entire submission to the will of the people, our administration is limited to that shortsighted, and erroneous policy, which is prescribed by an ignorant, though well meaning multitude; yet there are advantages which result from this state of things. We are rarely disturbed by riot, for the wishes of the people being generally considered in preference to their welfare, they have rarely the slightest incentive to such extremes. Had not the general government been supported by the popularity thus obtained, it could never have enforced the laws of the union against the state of Pennsylvania in the case of Gideon Olmstead. Supported by the populace—the governor would not have yielded—and could not have been subdued.

Possibly we were indebted for our tranquillity not only on this occasion—but on many others, to that confidence of the people in the general government, which results from its invariable obedience to their will; and to the sedulous pursuit of the system, which is most agreeable to their prejudices. For the principles of true policy in government, being as recondite as those of any science; requiring for development, all the assiduity of the analyst, and all the subtlety of a metaphysician, they can only be displayed to those who have leisure for study. Hence the conduct of men who are governed by these principles, can never be understood; and of course cannot often be applauded by the mass of the people. To how much abuse was the great and good Washington subjected for that treaty with Great Britain; by which so many years of commercial prosperity were ensured to us?—Had the opposite, and more popular policy been adopted—all our present difficulties had overtaken us fifteen years ago, when we were so much less capable of supporting them.

How far the advantages of internal tranquillity, may balance the evils resulting from that

erroneous policy, which may be considered as the price of this tranquillity, I shall leave it to others to determine; but I should wish rather to see a midway course adopted, between that total disregard of popular opinion, which has been demonstrated by the federalists—and that servile submission which has been displayed by their successors. We should not be governed merely by the question of right in the abstract—but by that of utility in practice. By a few transient laws, the federalists reversed the politicks of their country—and from a futile effort to serve it in one way—forfeited the power of rendering it permanent service, in any other.

May not the late relapse in the politicks of New England, be attributed to the disregard of popular feeling, exhibited by the federal leaders?

With due deference to the talents and integrity of these worthies, I beg leave to inquire, whether it is not impolitick by a frequent defence of the measures of Great Britain; to confirm in the popular mind, the *unjust* suspicion of their subserviency to this power, which is



so studiously inculcated by their opponents? Whether the measures of Great Britain and France, be in the abstract right or wrong; or whether either of them be more censurable than the other, ought not to have the smallest influence on the policy of our country. The only inquiry should be, whether the measures of either, or both of these powers, are injurious to our welfare. Whether right or wrong—if injurious to us—upon the ordinary principles of national conduct, if possessed of adequate power, we should be authorized to force a change, on the part of either or both. Nor should we, in choosing the primary object of attack, be governed by any other question, than that of expediency.

The assumption of this unpopular task of defending a foreign government appears to be the more impolitick, since the event has shown it to be unnecessary. There was always an unsurmountable barrier to warfare with England. I mean our total incapacity to commit a single offensive act, which could in the slightest degree humble her pretensions. If this glaring fact, and the incompetency of the financial

system of the ruling party, were not sufficient obstacles to war; what were we to expect from arguments obnoxious to the feelings of the people.

The leaders of federalism have sacrificed their popularity to prevent hostilities, which their more crafty opponents threatened, but knew themselves incompetent to wage.

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In the abstract I imagine, few are friends to monarchy. In theory, nothing in my view can be more absurd, than to elevate an individual above his species in rank and power, without any regard to virtue, or talent. In the best constituted governments, he is a mere pageant: and where he is the most efficient, is most dangerous. Yet in practice it must be admitted that this form of government with all its absurdity, has been found the best suited to nations in general. The safety of most countries surrounded by enemies, requires that the chief magistrate should be invested with great powers; for the same reason that the fiercest republicans have submitted to the most rigid military

discipline; or that they yield to the captain, an absolute command over his ship when at sea. Through the remoteness of our situation, we have hitherto been free from those dangers, which render such power requisite: and a diffusion of property, and intelligence, unusually equable, tends peculiarly to fit us for a representative government.

Here then would ensue a most favourable experiment of a democratick republican government, did we not labour under two radical evils—I mean an indiscriminate admission to the privileges of citizenship—and a universal enjoyment of the right of suffrage, unqualified by any restriction which may tend to secure the competency of the elector, to judge of the real tendency of his vote.

Next to the passion of love, or the nearest ties of consanguinity, the love of country is obviously the most deeply rooted of all human attachments. Though in temporary power exceeded by other sentiments, in permanency it yields to none, unless to parental affection; nor can we doubt, that as the latter was obviously inspired by the Creator for the support or pro-



tection of all animated nature in the early stages of life; so the former was intended as one of the most powerful bonds of society, in moments of national danger.

To cherish and obey this predisposition, so obviously the result of divine will, has heretofore in all ages and nations, been deemed a sacred duty. No people ever glowed with more of this patriotick spirit, than did the people of these states during the struggle for independence—yet with shame it must be spoken—no nation has ever done so much towards depreciating the value—or destroying the force of the tie—between the native and his country. No people ever so indiscriminately welcomed—genius or stupidity—ignorance, or knowledge—virtue, or vice—the fugitive from justice—or the voluntary and respectable emigrant; and promiscuously invested a motley groupe of foreigners thus assembled—with all the privileges and immunities of native citizens.

It is astonishing that the monstrous absurdities which result from this practice, could ever have been overlooked. If we argue that foreign;

ers have the right to transfer their allegiance to our government at any time, or in any mode which we may appoint—it follows that our citizens have the right to transfer their allegiance to foreign governments at any time, and in any mode that the latter may appoint; unless it be advanced that the natives of these states alone, of all mankind, have not the power of expatriation. But if the native citizen has the right to expatriate himself whenever he pleases—has not the naturalized foreigner the same option? His ties cannot be said to be stronger than those of citizenship; and these admit of a transfer of allegiance at any moment. Of what value then is his oath? The contract formed with him, is optional on his part—and obligatory on ours.

Thus by the sanction which we afford to the practice of expatriation, is every legal and moral duty of the citizen towards his country, whether native or adopted, made dependent in its duration upon will. The principle established by the formation of the contract, is destructive of its efficacy; and the value of the title granted by it, is depreciated by the frequency

and facility of the grant. While by a transfer of allegiance, the naturalized foreigner in common with the native, is at liberty at any moment to emancipate himself from every tie, founded in law or morality; those naturally arising in the bosom of the patriot, are no less enfeebled, when he beholds the privileges of citizenship—otherwise to him—so sacred—and so dear—lavished upon every outcast of Europe—whom crimes—or misfortunes—may have driven to our shores.

Both morality and sound policy demand, that we should extend to the stranger all possible civility and assistance, and that we should permit him to enjoy in tranquillity, all those necessities, comforts, and pleasures, which he may be enabled to procure, either through his wealth or industry: but surely it cannot be requisite, that we should extend to him any right of participating in the government of the country. If not devoid of integrity, he will only value the right of suffrage so far as it may enable him to conduce to an able and honest administration of affairs; and at all events the accomplishment of this object, can be the only justifiable motive



for extending the right of suffrage. Were this privilege to be granted with any other view, we should overlook our own essential welfare—for the sake of a useless—or injurious compliment to an alien.

The question then arises—will the chances of a wise and honest administration of affairs, be increased by extending to foreigners the privileges of voting? The honesty and ability of those who govern, must be determined by the degree in which virtue prevails over vice—and wisdom over folly—among those by whom they are chosen. If then in the United States the preponderance of virtue over vice, and of wisdom over folly, be sufficient, whence can arise any advantage, either to ourselves, or to foreigners, from admitting them to the right of suffrage. And if the preponderance should unfortunately take place in the opposite scale, will it be counteracted by the assistance of emigrants taking them in the aggregate?

Does the indiscriminate admission of this class of persons to the privileges of citizenship—tend to increase the proportion of wisdom and virtue;—or to add to the overstock of folly and vice?

No emigrant will advance, that the best citizens of his native country have expatriated themselves. All will acknowledge that among the whole number who go abroad, the proportion of talents virtue and information, is less than among those who stay. This simple view must be sufficient to convince us, that in admitting foreigners to participate in our elections—the ratio of folly to wisdom—and of vice to virtue—is increased—rather than diminished: unless we admit—that this ratio of folly and vice, to wisdom and virtue, is in our country much less favourable—than in those, whence the emigrants come.

The position being then established, that the admission of foreigners to the right of suffrage will rather derogate from, than conduce to the propriety of our elections, any honest emigrant who may be duly aware of the ill consequences of the practice, would rather wave, than accept the privilege. There can however be no doubt, that among the many of those who emigrate, this refined political integrity would be found wanting; and that they would choose to be placed upon a level in privileges with the native

citizen, however injurious the consequences in the aggregate, to the good of the nation. But if any of them under these views, should be discontented, it is better they should adhere to their own soil, than that we should to afford them satisfaction, hazard the welfare of the United States.

If there be men who are so wicked, so weak, or so ignorant; as to wish to participate in the government of our country, at the expense of its prosperity—their presence must be a curse, their absence a blessing.

It is now ascertained by experience, that our numbers are doubled every twenty three years.\* Were our population to continue to accumulate in the same proportion, in about one hundred and seventy years, a period less than that which has intervened since the first settlements were made in Virginia and New England, the posterity of the present inhabitants of the United States alone will be more than twelve hundred millions—supposing our numbers to have been only five millions at the last census.

\* Blodget's *Economica*, page 79.



It follows, therefore, that as it may affect the future extent of our population, the influence of emigration is insignificant, and can but ill compensate for any diminution in that prosperity, by which our multiplication from internal sources is so much accelerated. The multiplication of our numbers is in truth injurious, so far as it is not the consequence of prosperity, as it tends to hasten the period when our territory will be too thickly peopled for easy subsistence; or to extend population so widely over this continent, as to produce those divisions, and dissensions, which must always arise from the discord of heterogeneous interests.

By the jarring operation of discordant passions, the new continent, like the old, will be divided among nations various, and hostile: and the bloody scenes which have so often been exhibited in Europe, Asia, and Africa, will be reacted here.

When not confined by the pressure of want, so active is the increase of our species, that the period is not very remote when America will attain that acme of excessive population, which more than any other state of affairs—is followed

by an incurable wretchedness—and degradation among the poorer classes of society. Wherefore then should we in the slightest degree risk our happiness, to accelerate consequences so so much to be deprecated? So far as the rapid increase of population is the consequence of national felicity, we should hail it with delight: but so far as it is the effect of emigration, it must be considered as an encroachment on the field allotted by fortune—to ourselves—and our posterity.

If the privileges of the native citizen, are in any case to be bestowed upon foreigners, nature herself points to the occasion. When by marriage with a native, and by the birth of a child, a man has incurred ties paramount to those which he owed to his own country; he may then possibly with some propriety, transfer his allegiance from his native soil, to that wherein his child and his wife have first drawn their breath. If naturalization was to be introduced, wherefore was not this natural change of affections and duties, taken as the only adequate recommendation to confidence?

A limitation thus founded, might palliate, but would not cure the evils of a practice so absurd and injurious.

My objections to the present system of suffrage, are not founded on desire to deprive the mass of mankind of their inherent rights to self government—but on a desire to secure the advantageous exercise of this right, by restricting it to objects of which the mass of society are competent to judge. When incapable of understanding the tendency of their suffrages, they cannot be said to enjoy their votes. They may vote for measures tending the very opposite of the consequences which they really wish.

The legislator cannot endow a man with that which God has denied. If through the defect of nature, or education, he be incompetent to understand the true tendency of political measures; it is impossible that he can have any correct wish, or opinion about them. Unless therefore, his vote can be directed to something about which he can judge and think correctly, he really has no vote, but the dangerous privilege of a capricious interference with the helm of his own, and of the publick safety. Though



he is nominally the elector, his choice is really directed by those who assail his passions, and he is still governed by the few, and unfortunately not by that few who are most competent in wisdom and virtue—since these would address his reason—not his passions.

The candidates are generally selected by a few of the most active, but not always the most respectable of the community: yet the choice of the candidate determines the election of the representative, for though the individual thus recommended is often obnoxious even to the majority of his own party;—there is no appeal from the fiat of those ill constituted assemblies, by which he may have been brought forward.

Those who point out defects—may be expected to suggest remedies. The remedy which I should propose, would be founded in this principle; that every man should have as much influence in the construction of his government, as his talents and information will permit. These qualifications among men, whose diurnal occupations deny them the advantages of study, can go no further than enable them to choose who shall choose for

them. It is requisite, however, that each individual, should, from his personal knowledge, judge of his elector. This knowledge it is obvious cannot generally extend to such as do not live in his neighbourhood, or township. From these, however, he can select the man, on whose judgment he would prefer to rely.

The latter will probably possess some superiority of intelligence, and will be as well able to select the most competent man in the county, as the first was to choose the one the most competent in the township. The elector chosen for the county, will in all probability be equally capable to point out another to represent the district; and the latter may equally well elect for the state. By these means, our township, county, and district meetings, would be legally constituted; and every individual would enjoy a greater equality of privilege, because he would exercise his suffrage upon a question, on which he would be perfectly competent to foresee the real object of his vote. It would be a question about men, of whom he can judge; and not about measures of which he cannot form a competent judgment, without study.

Instead of making wealth a requisite qualification in a voter, it should have a separate representation, forming a distinct branch of the government, and exercising a veto in all questions influencing property. Nothing can be more unjust, than to subject the poor to the rich, or the rich to the poor: but each constituting different branches, no oppression could ensue, but necessity would oblige them to concur in objects mutually beneficial, as it is well known, they are indispensable to each other. The impropriety of giving to wealth no influence in our government, is the more glaring, on account of the daily admission of needy foreigners to the right of suffrage: and of course to the power of commanding the earnings of those, who have spent their lives in industry. The wealth of our country, is principally held by persons of this cast, it is not an inheritance of an unjust monopoly, by rank and power. The door to it is open to every man; and is easily reached by those, who are industrious and economical. But it is very hard, that the idler, the spendthrift, or the beggarly outlaw, should have the disposal, or the management, of the fruits of economy, and industry.



In a review of the internal relations of the various members of this great political community, nothing can appear more offensive to reason, than the incongruity of the principles, and practice of some of our southern planters. While secured at home from the evils of excessive democracy, by that cruel system which has placed the majority of their ignorant population in chains—they have been emboldened elsewhere to countenance those principles—which have given to ignorance the mastery. Hence with perfect safety to themselves—they have been enabled to flatter the prejudices of the people, throughout the union, and by these means have gained an ascendancy in the general government—which they would have shuddered to acquire in this way—had the politicks which they have elsewhere sanctioned—been extended to their own labouring class.

But when they look around them in the national legislature, and behold the poverty of talent and information displayed by many of the representatives—when they consider in the aggregate, the representation of Pennsylvania,—or figure to themselves its government—

and its governour; they may find reason to rejoice in the prospect of uncontrolled influence—but must feel some conscientious regret when they reflect on the means—by which their sway has been established.

Citizens of Pennsylvania!—by the incapacity of your representation—your influence in the national government is annihilated. Your representatives appear not at the seat of government to instruct—but to receive instructions. You have been incited to banish your wisest and best citizens from the councils of the nation—and of the state—because they would not become subservient to the slaveholders of the south. It is true that they have not, like some of these—flattered your prejudices—or encouraged your passions: but in adhering to a course so destructive of their influence—can they have any other than the most honourable motives? Are they rewarded with distinction, power, or emolument?—No; their only reward is conscious integrity;—the pleasing reflection, that however neglected by you, they have still preferred the welfare of their country—to the temptations of corrupt ambition.

This appeal is addressed to you by one—who is equally uninfluenced—by fear—or expectation—who does not want—and could not receive official distinctions:—by one—whose taste—disposition—and pursuits—are inconsistent with political life. At no time a bigot to any political sect;—but coolly surveying the opinions of each in their turn—he has ventured to think altogether for himself. Hence it is most probable that his sentiments will not be approved by zealots of any party;—but he is sure, that his motives, if known—would be respected by all.





## APPENDIX.

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### (NOTE A.)

*To John Hancock, Esq. President of Congress.*

“CAMBRIDGE, Feb. 9, 1776.

“SIR,

“The purport of this letter will be directed to a single object. Through you, I mean to lay it before congress; and—at the same time that I beg their serious attention to the subject—to ask pardon for intruding an opinion, not only unasked, but in some measure, repugnant to their resolves.

“The disadvantages attending the limited enlistment of troops are too apparent to those who are eye witnesses of them, to render any animadversions necessary: but to gentlemen at a distance, whose attention is engrossed by a thousand imported objects, the case may be otherwise.

“That this cause precipitated the fate of the brave and much to be lamented general Montgomery, and brought on the defeat which followed thereupon, I have not the most distant doubt—for had he not been apprehensive of the troops leaving him at so important a crisis, but continued the blockade of Quebeck, a capitulation (from the best accounts I have been able to collect) must inevitably have followed. And that we were not at one time obliged to dispute these lines under disadvantageous circumstances (pre-

ceeding from the same cause, to wit: the militia disbanding of themselves before the reenforcements could be got in) is to me a matter of wonder and astonishment; and proves that general Howe was either unacquainted with our situation, or restrained by his instructions from putting any thing to a hazard till his reenforcements should arrive.

“ The instance of general Montgomery—(I mention it, because it is a striking one; for a number of others might be adduced)—proves, that, instead of having men to take advantage of circumstances, you are, in a manner, compelled, right or wrong, to make circumstances yield to a secondary consideration. Since the first of December, I have been devising every means in my power to secure these encampments; and, though I am sensible that we never have, since that period, been able to act upon the offensive, and, at times, not in a condition to defend;—yet the cost of marching home one set of men—bringing in another;—the havock and waste occasioned by the first—the repairs necessary for the second: with a thousand incidental charges and inconveniences which have arisen, and which it is scarce possible either to recollect or describe—amount to near as much as the keeping up a respectable body of troops the whole time, ready for any emergency, would have done.—To this may be added, that you never can have a well disciplined army.

“ To bring men well acquainted with the duties of a soldier, requires time. To bring them under proper discipline and subordination, not only requires time, but is a work of great difficulty, and, in this army, where there is so little distinction between the officers and soldiers, requires an uncommon degree



of attention. To expect then the same service from raw and undisciplined recruits as from veteran soldiers, is to expect what never did and perhaps never will happen. Men who are familiarized to danger meet it without shrinking; whereas those who have never seen service often apprehend danger where no danger is. Three things prompt men to a regular discharge of their duty in time of action—natural bravery—hope of reward—and fear of punishment. The two first are common to the untutored and the disciplined soldier; but the latter most obviously distinguishes the one from the other. A coward, when taught to believe, that if he breaks his ranks and abandons his colours, he will be punished with death by his own party—will take his chance against the enemy: but a man who thinks little of the one and is fearful of the other, acts from present feelings, regardless of consequences.

“ Again, men of a day’s standing will not look forward: and from experience we find, that, as the time approaches for their discharge; they grow careless of their arms, ammunition, camp utensils, &c. Nay even the barracks themselves have felt uncommon marks of wanton depredation, and lay us under fresh trouble and additional expense in providing for every fresh set, when we find it next to impossible to procure such articles as are absolutely necessary in the first instance. To this may be added the seasoning which new recruits must have to a camp and the loss consequent thereupon. But this is not all. Men, engaged for a short limited time only, have the officers too much in their power: for, to obtain a degree of popularity in order to obtain a second enlistment, a kind of familiarity takes place,

which brings on a relaxation of discipline, unlicensed furloughs, and other indulgences incompatible with order and good government; by which means, the latter part of the time for which the soldier was engaged is spent in undoing what you were aiming to inculcate in the first.

“To go into an enumeration of the evils we have experienced in this late great change of the army, and the expense incidental to it—to say nothing of the hazard we have run, between the discharging of one army and enlistment of another, unless an enormous expense of militia is incurred—would greatly exceed the bounds of a letter. What I have already taken the liberty of saying will serve to convey a general idea of the matter; and therefore I shall, with all due deference, take the freedom to give it as my opinion, that, if the congress have any reason to believe that there will be occasion for troops another year, and consequently of another enlistment, they would save money, and have infinitely better troops if they were, even at a bounty of twenty, thirty, or more dollars, to engage the men already enlisted (till January next) such others as may be wanted to complete the establishment, for and during the war.

“I will not undertake to say that the men can be had upon these terms: but I am satisfied that it will never do to let the matter alone as it was last year, till the time of service was near expiring. The hazard is too great in the first place:—in the next, the trouble and perplexity of disbanding one army and raising another at the same instant, and in such a critical situation as the last was, is scarcely in the power of words to describe, and such as no man, who has experienced it once, will ever undergo again. \* \* \* I am, &c. GEO. WASHINGTON.

“ COL. MORRIS’S ON THE HEIGHTS OF HAERLEM,

“ *September 24, 1776.*

\* \* \* \* “ To place any dependence upon militia is surely resting on a broken staff, men just dragged from the tender scenes of domestick life,—unaccustomed to the din of arms—totally unacquainted with every kind of military skill; which being followed by a want of confidence in themselves, when opposed to troops regularly trained, disciplined, and appointed; superiour in knowledge and superiour in arms, makes them timid and ready to fly from their own shadows. Besides, the sudden change in their manner of living (particularly in the lodging) brings on sickness in many, impatience in all, and such an unconquerable desire of returning to their respective homes, that it not only produces shameful and scandalous desertions among themselves, but infuses the like spirit into others.

“ Again, men accustomed to unbounded freedom and no control, cannot brook the restraint which is indispensably necessary to the good order and government of an army; without which, licentiousness and every kind of disorder triumphantly reign—To bring men to a proper degree of subordination is not the work of a day, a month, or even a year: and, unhappily for us and the cause we are engaged in, the little discipline I have been labouring to establish in the army under my immediate command is in a manner done away by having such a mixture of troops as have been called together within these few months.

“ Relaxed and unfit as our rules and regulations of war are for the government of an army, the militia (those properly so called; for of these we have two



sorts, the six months men, and those sent in as a temporary aid) do not think themselves subject to them, and therefore take liberties which the soldier is punished for. This creates jealousy: jealousy begets dissatisfactions; and these by degrees, ripen into mutiny, keeping the whole army in a confused and disordered state,—rendering the time of those who wish to see regularity and good order prevail, more unhappy than words can describe. Besides this, such repeated changes take place, that all arrangement is set at nought, and the constant fluctuation of things deranges every plan as fast as adopted.

“ These, sir, congress may be assured, are but a small part of the inconveniences which might be enumerated, and attributed to militia; but there is one that merits particular attention, and that is the expense. Certain I am, that it would be cheaper to keep fifty or a hundred thousand in constant pay, than to depend upon half the number and supply the other half occasionally by militia. The time the latter are in pay before and after they are in camp, assembling and marching—the waste of ammunition, the consumption of stores, which, in spite of every resolution, or requisition of congress, they must be furnished with, or sent home—added to other incidental expenses consequent upon their coming and conduct in camp—surpasses all idea, and destroys every kind of regularity and economy which you could establish among fixed and settled troops, and will, in my opinion, prove (if the scheme is adhered to) the ruin of our cause.

“ The jealousies of a standing army, and the evils to be apprehended from one, are remote, and, in my judgment, situated and circumstanced as we are, not

at all to be dreaded: but the consequence of wanting one, according to my ideas, formed from the present view of things is certain and inevitable ruin. For, if I was called upon to declare upon oath, whether the militia have been most serviceable or hurtful upon the whole, I should subscribe to the latter. I do not mean by this, however, to arraign the conduct of congress, in so doing I should equally condemn my own measures, if I did not my judgment: but experience, which is the best criterion to work by, so fully, clearly and decisively reprobates the practice of trusting to militia, that no man who regards order, regularity and economy, or who has any regard for his own honour, character, or peace of mind, will risk them upon this issue.

“ An army formed of good officers moves like clock work: but there is no situation upon earth less enviable or more distressing than that person's who is at the head of troops who are regardless of order and discipline, and who are unprovided with almost every necessary. In a word, the difficulties which have for ever surrounded me since I have been in the service, and kept my mind constantly upon the stretch—the wounds which my feelings (as an officer) have received by a thousand things which have happened contrary to my expectation and wishes \* \* \*—added to a consciousness of my inability to govern an army composed of such discordant parts, and under such a variety of intricate and perplexing circumstances, induce not only a belief, but a thorough conviction in my mind that it will be impossible (unless there is a thorough change in our military system) for me to conduct matters in such a manner as to give satisfaction to the publick, which is all the recompence I aim at, or ever wished for.

“ Before I conclude, I must apologise for the liberties taken in this letter, and for the blots and scratches therein, not having time to give it more correctly. With truth I can add, that, with every sentiment of respect and esteem, I am yours and the congress’s most obedient, &c.

GEORGE WASHINGTON.”

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NOTE B.

*On the Origin and Use of Money.*

“ When the division of labour has been once thoroughly established, it is but a very small part of a man’s wants, which the produce of his own labour can supply. He supplies the far greater part of them by exchanging that surplus part of the produce of his own labour, which is over and above his own consumption, for such parts of the produce of other men’s labour as he has occasion for. Every man thus lives by exchanging, or becomes in some measure a merchant, and the society itself grows to be what is properly a commercial society.

“ But when the division of labour first began to take place, this power of exchanging must frequently have been very much clogged and embarrassed in its operations. One man, we shall suppose, has more of a certain commodity than he himself has occasion for, while another has less. The former consequently would be glad to dispose of, and the latter to purchase, a part of this superfluity. But if this latter should chance to have nothing that the former stands in need of, no exchange can be made between them. The butcher has more meat in his shop than he



himself can consume, and the brewer and the baker would each of them be willing to purchase a part of it. But they have nothing to offer in exchange, except the different productions of their respective trades, and the butcher is already provided with all the bread and beer which he has immediate occasion for. No exchange can, in this case, be made between them. He cannot be their merchant, nor they his customers; and they are all of them thus mutually less serviceable to one another. In order to avoid the inconveniency of such situations, every prudent man in every period of society, after the first establishment of the division of labour, must naturally have endeavoured to manage his affairs in such a manner, as to have at all times by him, besides the peculiar produce of his own industry; a certain quantity of some one commodity or other, such as he imagined few people would be likely to refuse in exchange for the produce of their industry.

“Many different commodities, it is probable, were successively both thought of and employed for this purpose. In the rude ages of society, cattle are said to have been the common instrument of commerce; and, though they must have been a most inconvenient one, yet in old times we find things were frequently valued according to the number of cattle which had been given in exchange for them. The armour of Diomedes, says Homer, cost only nine oxen; but that of Glaucus cost an hundred oxen. Salt is said to be the common instrument of commerce and exchanges in Abyssinia; a species of shells in some parts of the coast of India; dried cod at Newfoundland; tobacco in Virginia; sugar in some of our West India colonies; hides or dressed leather in some other coun-

tries: and there is at this day a village in Scotland where it is not uncommon, I am told, for a workman to carry nails instead of money to the baker's shop or the ale house.

“ In all countries, however, men seem at last to have been determined by irresistible reasons to give the preference, for this employment, to metals above every other commodity. Metals can not only be kept with as little loss as any other commodity, scarce any thing being less perishable than they are, but they can likewise, without any loss, be divided into any number of parts, as by fusion those parts can easily be re-united again; a quality which no other equally durable commodities possess, and which more than any other quality renders them fit to be the instruments of commerce and circulation. The man who wanted to buy salt, for example, and had nothing but cattle to give in exchange for it, must have been obliged to buy salt to the value of a whole ox, or a whole sheep, at a time. He could seldom buy less than this, because what he was to give for it could seldom be divided without loss; and if he had a mind to buy more, he must, for the same reasons, have been obliged to buy double or triple the quantity, the value, to wit, of two or three oxen, or of two or three sheep. If, on the contrary, instead of sheep or oxen, he had metals to give in exchange for it, he could easily proportion the quantity of the metal to the precise quantity of the commodity which he had immediate occasion for.

“ Different metals have been made use of by different nations for this purpose. Iron was the common instrument of commerce among the ancient Spartans; copper among the ancient Romans; and gold and silver among all rich and commercial nations.”



## NOTE C.

“ Commercial capital, let it then be understood, consists not in paper, and is not augmented by the multiplication of this medium of payment. In one sense, indeed, it may be increased by paper. I mean, that the nominal value of the existing goods may be enlarged through a reduction which is caused by paper in the value of that standard by which all property is estimated. The paper itself forms no part of the estimate.

“ This mode of computing the amount of the national capital engaged in commerce, is substantially the same with that in which each commercial man estimates the value of his own property. Paper constitutes, it is true, an article on the credit side of the books of some men; but it forms an exactly equal item on the debit side of the books of others. It constitutes, therefore, on the whole neither a debit nor a credit. The banker who issues twenty thousand pounds in notes, and lends in consequence twenty thousand pounds to the merchants on the security of bills accepted by them, states himself in his books to be debtor to the various holders of his notes to the extent of the sum in question; and states himself to be the creditor of the acceptors of the bills in his possession to the same amount. His valuation, therefore, of his own property, is the same as if neither the bills nor the bank notes had any existence. Again: the merchants, in making their estimate of property, deduct the bills payable by themselves which are in the drawer of the banker, and add to their estimate the notes of the banker which are in their own drawer; so that the valuation, likewise, of the capital of the merchants is the same as if the paper had no ex-



istence. The use of paper does not, therefore, introduce any principle of delusion into that estimate of property which is made by individuals. The case of gold, on the other hand, differs from that of paper inasmuch as the possessor of gold takes credit for that for which no man debits himself. The several commercial capitals of traders, as estimated in their books, would, unquestionably, be found, if deducted from their other property, and added together, to correspond, in amount with a general estimate of the commercial stock of the country, calculated under the several heads already stated.

“It is true, that men, in estimating their share in the publick funds of the country, add to their estimate a debt due to them which no *individual* deducts from his valuation. On this head, it may be observed, that the nation is the debtor. But the commercial capital, which has been described, exists independently of capital in the publick funds. The man in trade has property in trade. If he has property in the stocks, he has the property in trade in addition to it. In speaking, therefore, of the commercial capital, whether of the nation or of an individual, the idea that any part of it is composed either of the paper credit or of the stocks of the country, is to be totally excluded.” *Thornton's Inquiry, p. 7.*

#### NOTE D.

I have deemed it improper to detain the reader with a practical exposition of the multifarious facilities, and conveniences, afforded to the mercantile world by credit. To the trading part of the community such an exposition would be tedious, and to others useless, if they neglect facts with which a very little inquiry would render them familiar.

## NOTE E.

Commercial morality will never prevail, unless where the state of law, or trade, or customs of society, render it the best policy of men to be honest. A favourable concurrence of such incentives to honesty, is productive of a species of worldly virtue, which has many of the practical good effects of genuine integrity. It is from this cause, that many traders will act honourably at home, and yet dishonourably with foreigners; and hence nations are led to accuse each other reciprocally of preeminence in knavery. They are mutually better acquainted with the cheats which they suffer from foreign knaves, than those which foreigners suffer from their own.

In no country more than in Great Britain, does the state of law or trade, or customs of society, tend to the support of punctuality in commercial dealings. The fraudulent trader there, not only loses the advantage of credit—but is severely handled by the law; and the commerce of the country not being over-proportioned to its capital, there is no very powerful temptation to those overtrading speculations, which when unfortunate, are productive of the greatest trials to which integrity can be subjected. In this country on the other hand, neither the laws, nor the customs of society, are so severe upon mercantile fraud; while the temptation to overtrade has been very great, owing to the incompetency of our capital to the commercial field, opened by the advantages of neutrality.

From these causes, insolvency has been more frequent in this country than in Great Britain, and hence impressions have been created in the minds of some prejudiced foreigners, unfavourable to the

morality of the people of these states. Yet in consequence of the facility with which the poorer classes earn their livelihood, there is no country where theft or robbery are more rare; or where so few are supported by those petty fraudulent practices, which infest the cities of Europe. Our convicts are principally foreigners, or runaway slaves. Many of our people retire to repose with their doors unbolted. It is very rare for the most lonely and helpless traveller, to suffer the slightest molestation, and more especially from natives. However frequent may be insolvency, the highest mercantile confidence pervades a very large portion of our community. Tradesmen generally allow their customers twelve months credit, and thousands diurnally pass from hand to hand on our exchanges, without other security than a word of honour. The creditor has often been aware of his risk in trusting, and his price has been proportionate; and in despite of a very relaxed system of law in relation to debtors, the consequent exactions of the idle and dishonest, bear but a very small proportion to the advantages derived from mercantile credit. Insinuations of any radical disparity of moral sentiment in the people of these states when compared with the British, are however best answered by the experiment to which they gave rise. The English merchants and manufacturers, diffident of the integrity of the American traders, adopted the expedient of sending out men of distinguished rectitude to act for them as agents in America. But alas! English morality released from the worldly restraints to which it had been subjected at home, soon adapted itself to the immunities, and temptations of the country, to which it was transferred. It is notorious, that



of these agents, a majority of those who have engaged in the carrying trade, have failed; and that their English employers, or connexions, in many instances, have been injured or ruined by them.

In England, the commercial advantages derived from credit both at home and abroad are so great, that the interest of the mercantile class is indissolubly connected with morality in trade. London is the bank of the commercial world; and all the profits derived by her in that capacity, depend much on the rigid observance of honesty in her bankers, or merchants.

The influence of this necessity of honest conduct, arising from the nature of banking operations, has been fully shown in this country; where the banks have, with a few exceptions, been preeminent for their stability and rectitude.

It may be observed, that the more moral tendency of the customs of society in England, is a proof of a superiour morality of sentiment. But this inference cannot be drawn from the customs to which I allude; which are those by which the innocent, as well as the guilty debtor, are subjected so much more to the power of the creditor, and by which the latter is countenanced in the exercise of a degree of rigour, which in this country is unknown. In our system there is more of the morality of the heart. In that of England, more of legal morality, or of strict adherence to the principles, which are favourable to the the general and permanent welfare of society.

## NOTE F.

In comparing the circulation of bills with that of bank notes, Mr. Thornton appears to consider the retention of the former as a matter of choice, whereas I imagine it is much more often the effect of necessity. In this country it rarely happens, that the holder of a bill or note, payable at any future time, will not, in order to exchange it for specie, or bank notes, or bank credit, readily lose the discount.

“Bills,” he observes, “and especially those which are drawn for large sums, may be considered as in general circulating more slowly than either gold or bank notes, and for a reason which it is material to explain. Bank notes, though they yield an interest to the issuer, afford none to the man who detains them in his possession; they are to him as unproductive as guineas. The possessor of a bank note, therefore, makes haste to part with it. The possessor of a bill of exchange possesses, on the contrary, that which is always growing more valuable. The bill, when it is first drawn, is worth something less than a bank note, on account of its not being due until a distant day; and the first receiver of it may be supposed to obtain a compensation for the inferiority of its value in the price of the article with which the bill is purchased. When he parts with it, he may be considered as granting to the next receiver a like compensation, which is proportionate to the time which the bill has still to run. Each holder of a bill has, therefore, an interest in detaining it.”

*Thornton's Inquiry, p. 33.*

Does not this depend on contingencies? If the holder cannot gain as much by the employment of the value of the bill, as the amount of the discount, it is his interest to keep it; but as the profits of trade are always above the rate of interest, it is generally advantageous to the traders to pay the discount, rather than to keep the bill.

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#### NOTE G.

So great is the preference given to bank credit in this country, when compared with specie, that in the hands even of the most ignorant and timid, considerable sums are very rarely kept. The strong box or the hole of the miser, is now no longer heard of. Our modern misers consider the coffers of the bank, as affording the highest degree of security.

The bank of the United States alone, I have been well informed, has had at one period in its various offices, FOURTEEN MILLIONS OF DOLLARS in gold and silver, for which there was no possible use: exportation being at the time suspended by the embargo.



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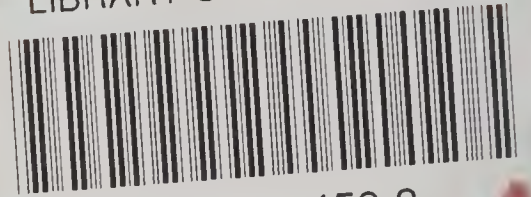








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